

RECEIVED  
LEGISLATIVE AUDITOR

06 MAY -1 PM 2:45

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
Metairie, Louisiana**

**Basic Financial Statements  
and Independent Auditor's Report**

**As of the Year Ended October 31, 2005  
With Supplemental Information**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5-10-06

**T. A. HARRIS, INC.**

**A PROFESSIONAL ACCOUNTING  
CORPORATION**

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

Basic Financial Statements  
And Independent Auditor's Reports  
As of and for the Year Ended October 31, 2005  
With Supplemental Information Schedules

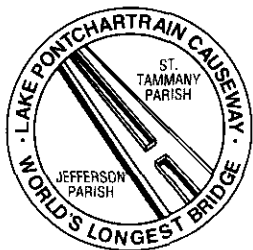
**CONTENTS**

	<b>Statement</b>	<b>Page No.</b>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal		3
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report on the Financial Statements		8
Management's Discussion and Analysis		10
Basic Financial Statements:		
Statement of Net Assets	A	14
Statement of Revenues, Expenses and Changes in Net Assets	B	15
Statement of Cash Flows	C	16
Notes to the Financial Statements		18
	<b>Schedule</b>	<b>Page No.</b>
Supplemental Information Schedules:		
Schedule of Cash Receipts and Disbursements	1	35
Schedule of Compensation Paid Board Members	2	40
Schedule of Investments	3	42
Schedule of Revenue From Tolls	4	44
Schedule of North Shore Traffic - Number of Crossings (Unaudited)	5	45
Schedule of Insurance (Unaudited)	6	47

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Contents, October 31, 2005

**CONTENTS (CONCLUDED)**

	<b>Schedule</b>	<b>Page No.</b>
Other Reports Required by Government Auditing Standards –		
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the Basic Financial Statements		50
Schedule of Prior Year Findings		51



JACK SALTER  
*Chairman*  
PATRICIA LEBLANC  
*Vice Chairman*  
LANCE ALBIN  
*Treasurer*  
KYLE FRANCE  
*Secretary*  
FRANK LEVY  
*Assistant Secretary / Treasurer*  
ROBERT J. LAMBERT  
*General Manager*

## GREATER NEW ORLEANS EXPRESSWAY COMMISSION

P. O. BOX 7656, METAIRIE, LOUISIANA 70010 • TELEPHONE 835-3118 • FAX 835-2518  
email: gnoec@gnoec.org

April 24, 2006

To Members of the Greater New Orleans Expressway Commission

The Annual Financial Report of the Greater New Orleans Expressway Commission (GNOEC) for the fiscal year ended October 31, 2005 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the GNOEC's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the GNOEC. All disclosures necessary to enable the reader to gain an understanding of the GNOEC's financial activities have been included.

The Annual Financial Report is presented in three sections: introductory, financial, and other supplemental information. The introductory section includes this transmittal letter. The financial section has been prepared in accordance with the Governmental Accounting Standard Board Statement No. 34. This section includes the following: Report of Independent Auditor; Management Discussion and Analysis (Required Supplementary Information); Basic Financial Statements and Notes to Financial Statements. The other supplemental information section includes schedules required by the Bond Indenture Agreements.

### PROFILE

The Greater New Orleans Expressway Commission was established in 1954 as the governing body with jurisdiction over the Expressway. The Commission is a special purpose government engaged in business type activities. By legislative enactment, after all bonds, principal and interest, are fully paid, the Expressway becomes the property of the State of Louisiana and thereafter will be operated and maintained by the Louisiana Department of Transportation and Development as a toll-free (non-business type) facility and as part of the state highway system.

The Commission provides for the policing of the Expressway, the operation and maintenance of the Expressway and the associated administrative services. By legislative mandate in 1986, the Commission provides for the policing of the Huey P. Long Bridge.

## **SAFETY**

A major priority of the Commission is the safety of the motoring public crossing the Expressway. The Expressway is experiencing an excellent safety record. The Commission has implemented a public information system that includes the internet, radio announcements, brochures, call boxes and variable message signs. These systems help to inform and educate the public about safety on the Expressway. A traffic monitoring program, consisting of security cameras and radar system, is underway and will be fully operational within the next few months. The Expressway has its own police department and operates the following safety programs: motorists assist vehicles; wrecker; rescue truck, and the rolling convoy for fog abatement.

## **FINANCIAL INFORMATION, MANAGEMENT AND CONTROL**

A detailed understanding of the financial position and operating results of the GNOEC is provided in the report. Presented below is a brief description of financial information, management of financial resources and obligations, and control techniques applicable to financial resources, obligations, and information.

### **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is used, which means revenues are recognized when earned and expenses are recognized when incurred.

### **Accounting Systems and Budgetary Control**

In developing and evaluating the GNOEC's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control comprises the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and consequently are designed to provide reasonable assurance that:

- Transactions are executed in accordance with management's general or specific authorization.
- Transactions are reported as necessary (a) to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (b) to maintain accountability for assets.
- Access to assets is permitted only in accordance with management's authorization.

- The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any different.

The definition of accounting control comprehends reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits. The benefits consist of reductions in the risk of failing to achieve the objectives implicit in the definition of accounting control.

All internal control evaluations occur within this framework. We believe the GNOEC's accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The GNOEC has formally established budgetary accounting controls for its operating funds. Budgetary control is maintained by category within department for each account group.

### **Account Description**

As required by the Bond Indenture Agreement, the accounts of the Commission are organized on the basis of funds and accounts, each of which is considered a separate accounting activity for recording receipts and disbursements. Those accounts (General, Special Revenue, Debt Service, Capital Projects and Internal Service) are shown on Schedule 1, Pages 31 - 37 of this report. Those account activities are summarized into the sole enterprise fund, which is used to account for ongoing organizations and activities that are similar to those found in the private sector.

The costs of providing the services to the general public is recovered, in whole or in part, through user charges. The GNOEC's operations comprise the operation of the Expressway Bridge in which tolls are charged. Results of operations for the year ended October 31, 2005 can be found in the Management Discussion & Analysis, Page 10.

The Commission's operations include electronic equipment at the toll plazas designed to classify vehicles, calculate the toll assessed and record those events. To facilitate the traffic flow, electronic toll devices read toll tags. Customers may acquire toll tags at the Commission operated toll tag stores on both north and south shores of the Expressway.

For the year ended October 31, 2005, a breakdown of the toll revenues is as follows:

Dedicated for Major Repairs & Capital Improvements	\$ 5,066,820
Undedicated to be Used for General Operations	<u>8,713,793</u>
	\$13,780,613

## **Long-term Debt**

The GNOEC had the following principle outstanding long-term debt at October 31, 2005:

### **Revenue Bonds:**

Refunding, Series 2003	\$53,005,000
Improvements, Series 1999-A	<u>11,745,000</u>
	\$64,750,000

On April 15, 2003, the Greater New Orleans Expressway Commission issued \$54,605,000 in Refunding and Improvement Revenue Bonds, Series 2003.

The Series 2003 bonds were issued for the purpose of providing funds to refund all of the Commission's outstanding Series 1992 bonds, finance a portion of construction costs and pay costs of issuance of the Series 2003 bonds, including the cost of the Series 2003 bond insurance policy and the reserve fund insurance policy.

## **CASH MANAGEMENT POLICIES AND PROCEDURES**

Cash receipts are deposited daily into the Commission's bank accounts. These funds are automatically transferred by the Trustee into the appropriate Trust Fund accounts and are invested in accordance with the provisions of the Bond Indenture. All bank and investment accounts are reconciled on a monthly basis.

## **RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to general liability, automotive liability, and property insurance contracts. An Internal Service Account (a risk management account) is used to account for and finance its uninsured risks of loss. Under this program, the risk management account provides coverage for the general and automotive liability up to the \$200,000 deductible limits for each covered loss. The Commission purchased commercial insurance for claims in excess of coverage provided by the Internal Service Account. Settled claims have not exceeded this commercial coverage for the fiscal year. Additional information on the Commission's risk management activity can be found in the notes to the financial statements on Page 25.

## **HURRICANE KATRINA**

As a result of Katrina, the Commission expended \$305,389.17 for overtime salaries and \$39,926.76 for related expenses. These expenditures have been filed with FEMA and the Commission hopes to receive reimbursement.

## **INDEPENDENT AUDIT**

The financial records, books of account, and transactions of the GNOEC for the fiscal year ended October 31, 2005 have been audited by T. A. Harris, Inc., Certified Public Accountant, and the opinion is included in the Finance Section of this report.

The financial statements are the responsibility of the GNOEC. The responsibility of the independent auditor is to express an opinion on the GNOEC's financial statements based on the audit. An audit is conducted in accordance with auditing standards generally accepted in the United States of America. Those standards require that the audit be planned and performed in a manner to obtain a reasonable assurance as to whether the financial statements are free of material misstatement.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Cheryl H. Lambert".

Cheryl H. Lambert  
Director of Finance

# T.A. Harris Inc. Certified Public Accountant

---

A Professional Accounting Corporation

## INDEPENDENT AUDITOR'S REPORT

Greater New Orleans Expressway Commission  
State of Louisiana  
Metairie, Louisiana

We have audited the accompanying basic financial statements of the Greater New Orleans Expressway Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended October 31, 2005, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of October 31, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in note 1-A to the basic financial statements, the Commission adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of November 1, 2000.

Management's Discussion and Analysis on pages 10 through 13 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquires of management regarding the methods of measurements and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In connection with our audit, nothing came to our attention that caused us to believe that the Commission failed to comply with the terms, covenants, or provisions of the General Bond Resolution dated September 25, 1986, and as supplemented by the Series 1999A and 2003 bond resolutions dated June 16, 1999 and April 15, 2003 respectively, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2006, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the Commission's basic financial statements. The accompanying supplemental information schedules listed in the table of contents and the "Annual Financial Report" as required by the Louisiana Division of Administration are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Commission. Such information, except those schedules marked "Unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the introductory section listed in the table of contents, and, accordingly, we do not express an opinion thereon.

*J. G. Harris, Inc. APAC*

April 24, 2006  
Baton Rouge, Louisiana

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
**Management's Discussion and Analysis**

The management's discussion and analysis of the Greater New Orleans Expressway Commission's financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended October 31, 2005. This document focuses on the current year's activities, resulting changes and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter presented on Pages 3 – 7 and the Commission's financial statements, which begin on Page 14.

**FINANCIAL HIGHLIGHTS**

The Commission's assets exceeded its liabilities at the close of fiscal year 2005 by \$67,221,537 compared to \$65,031,237 for fiscal year 2004, an increase of \$2,190,300 (or 3.4%).

The Commission's toll revenue decreased \$1,853,107 (or 11.9%) compared to the prior fiscal year. This was due to suspension of toll collections for 52 days due to Hurricane Katrina.

The Highway Fund #2 (Vehicular License Tax), which is dedicated to debt service, increased by \$315,977 (or 6.6%).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Greater New Orleans Expressway Commission's financial statements, which are comprised of the basic financial statements and the notes to the financial statements. Contrary to the governmental fund type model annual financial report presented in prior years, no fund level financial statements are presented because the Commission is engaged in a single enterprise, which is the movement of vehicles over bridges (infrastructure assets). Under the new reporting model, the basic financial statements of the Commission will be less complex and present financial information for the Commission as a whole in a format designed to make the statements easier for the reader to understand. The annual financial report includes the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; the Statement of Cash Flows; and Notes to the Financial Statements. In addition to the basic financial statements and the accompanying notes, other information in this report presents certain supplementary information concerning separate accounting activity required by bond indentures and/or bond resolutions. The basic financial statements are designed to provide readers with a broad overview of the Commission's finances in a manner similar to a private sector business.

**Basic Financial Statements**

The basic financial statements present information for the Greater New Orleans Expressway Commission as a whole in a format designed to make the statements easier for the reader to understand. The statements of this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (Page 14) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (Page 15) presents information showing how the Commission's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
**Management's Discussion and Analysis**

The Cash Flow Statement (Pages 16 - 17) presents information showing how Commission's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income to net cash provided by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

	10/31/2005	10/31/2004
Current and other assets	\$ 43,291,788	\$ 47,532,505
Capital assets	97,473,210	90,924,870
Total assets	<u>140,764,998</u>	<u>138,457,375</u>
Other liabilities	9,819,057	7,741,246
Long-term debt outstanding	63,724,404	65,684,892
Total liabilities	<u>73,543,461</u>	<u>73,426,138</u>
Total net assets	<u>\$ 67,221,537</u>	<u>\$ 65,031,237</u>

The composite net asset amount of \$67,221,537 as of October 31, 2005 consists of investment in capital assets, restricted net assets, and unrestricted net assets in the amounts of \$31,931,467, \$17,963,170, and \$17,326,900 respectively. The composite net asset amount of \$65,031,237 as of October 31, 2004 consisted of investment in capital assets, restricted net assets, and unrestricted net assets in the amounts of \$23,456,884, \$33,313,225, and \$8,261,128, respectively. The Commission's equity interest (capital assets less related outstanding debt) in its capital assets is reported within the investment in capital assets, net of related debt amount.

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, grant requirements, and bond and other resolutions. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used.

As referred to previously, net assets of the Commission increased by \$2,190,300, or 3.4%, from October 31, 2004 to October 31, 2005. A major cause of this increase is that user fees, et cetera, were greater than the cost of operations. In addition, capital improvements are not charges against current revenues but are capitalized within the property, plant, and equipment account and depreciated over future periods.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
**Management's Discussion and Analysis**

**Changes in Net Assets**

	10/31/2005	10/31/2004
Operating revenues	\$ 14,276,477	\$ 16,090,163
Operating expenses	<u>15,061,523</u>	<u>14,854,201</u>
Operating income	(785,046)	1,235,962
Non-operating revenues(expenses)	<u>2,975,346</u>	<u>2,108,424</u>
Increase in net assets	<u>\$ 2,190,300</u>	<u>\$ 3,344,386</u>

Major revenues for GNOEC consist of toll collections and vehicular license tax. These combined revenues represented nearly 91% of total GNOEC revenues. From fiscal year 2004 to 2005, the Commission's total revenues, including operating and non-operating revenues, decreased by \$852,753 or 3.9%. This decrease is due to a decrease in toll revenues due to Hurricane Katrina. Conversely, from fiscal year 2004 to 2005, the total cost of all programs and services, excluding depreciation, decreased by \$847,267 or 11.8%.

**CAPITAL ASSETS AND LONG-TERM  
DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2005, the Commission had \$97,473,210 invested in a broad range of capital assets, including the expressway bridge, building, vehicles, furniture, fixtures and equipment.

(Net of Depreciation)

	10/31/2005	10/31/2004
Building and improvements	\$ 983,439	\$ 1,013,544
Furniture, fixtures, and equipment	2,086,437	1,834,417
Infrastructure	<u>94,403,334</u>	<u>88,076,909</u>
Total	<u>\$ 97,473,210</u>	<u>\$ 90,924,870</u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
Management's Discussion and Analysis**

This year's major additions included:

Bridge improvements	\$ 9,974,722
Furniture, fixtures, and equipment	<u>710,427</u>
Total	<u>\$ 10,685,149</u>

**Long-Term Debt**

The Commission had \$65,541,743 in current and noncurrent bonds outstanding at year-end, compared to \$67,467,986 last year, a decrease of 2.9%.

	<u>2005</u>	<u>2004</u>
Outstanding Debt, at Year-end		
Revenue Bonds (net of premium/discount)	<u>\$ 65,541,743</u>	<u>\$ 67,467,986</u>

The Commission's bond indebtedness carries a Standard & Poor's A- rating.

On April 15, 2003, the Commission issued Series 2003 bonds for the purpose of providing funds to refund all of the Commission's outstanding Series 1992 bonds, finance a portion of construction costs and pay costs of issuance of the Series 2003 bonds, including the cost of the Series 2003 bond issuance policy and the reserve fund insurance policy.

The Commission has estimated claims of \$652,847 outstanding at year-end compared with \$642,430 last year. Other obligations include accrued vacation pay and sick leave of \$1,020,025 compared to \$941,797 for the October 31, 2004 fiscal year.

**BUDGET**

The annual budget is approved by the Commission at its October meeting. The budget is then approved by the Joint Legislative Committee on the Budget of the Louisiana Legislature. An updated projected budget was prepared in September 2005. The major difference between the original budget and the updated projected budget was the amount available for the Bridge Rehabilitation Projects decreased by \$2,695,852 or 45.1%. This decrease was a result of Hurricane Katrina and the suspension of toll collection from August 27, 2005 to October 17, 2005.

**CONTACTING THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION'S  
FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, investors and creditors with a general overview of the Greater New Orleans Expressway Commission's finances.

If you have any questions about this report, contact the Director of Finance, Greater New Orleans Expressway Commission, P. O. Box 7656, Metairie, LA 70010.

**Statement A****GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA****Statement of Net Assets  
October 31, 2005****ASSETS****CURRENT ASSETS:**

Cash (note 2)	\$ 2,325,633
Investments (note 2)	19,040,444
Receivables (note 4)	28,329
Prepaid items	17,728
Inventory	<u>329,575</u>
Total current assets	<u>21,741,709</u>

**NONCURRENT ASSETS:**

Restricted assets:	
Investments (note 2)	18,283,178
Receivables (note 4)	<u>1,735,152</u>
Total restricted assets	20,018,330
Property, plant, and equipment (net)(note 5)	97,473,210
Deferred bond issuance costs, net of amortization of \$138,750	<u>1,531,749</u>
Total noncurrent assets	<u>119,023,289</u>

<b>TOTAL ASSETS</b>	<b>\$ 140,764,998</b>
---------------------	-----------------------

**LIABILITIES****AMOUNTS DUE WITHIN ONE YEAR:**

Payables (note 12)	\$ 2,567,590
Deferred revenue	685,468
Liabilities payable from restricted assets:	
Capital projects payables (note 12)	699,809
Bonds (note 13)	1,817,339
Accrued interest	<u>1,480,351</u>
Total amounts due within one year	<u>7,250,557</u>

**AMOUNTS DUE IN MORE THAN ONE YEAR:**

Tag deposits	884,645
Estimated liability for claims (note 7)	652,847
Accrued compensated absences (note 9)	1,020,025
Bonds payable (note 13)	63,724,404
Other	<u>10,983</u>
Total amounts due in more than one year	<u>66,292,904</u>
Total liabilities	<u>73,543,461</u>

**NET ASSETS:**

Investment in capital assets, net of related debt (note 14)	31,931,467
Restricted net assets (note 14)	17,838,170
Restricted for future acquisition (note 14)	125,000
Unrestricted net assets	<u>17,326,900</u>
Total net assets	<u>\$ 67,221,537</u>

The accompanying notes are an integral part of this statement.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**For the Year Ended October 31, 2005**

**OPERATING REVENUES**

Tolls	\$ 13,780,613
Leases	389,540
Other miscellaneous revenue	<u>106,324</u>
Total operating revenues	<u>14,276,477</u>

**OPERATING EXPENSES**

Personal services	5,064,684
Contractual services	44,522
Operating services	2,077,017
Supplies and maintenance	2,950,767
Professional services	260,105
Administrative	268,741
Depreciation	4,136,809
Claims expense	<u>258,878</u>
Total operating expenditures	<u>15,061,523</u>

**OPERATING INCOME** (785,046)

**NON-OPERATING REVENUES(EXPENSES)**

Vehicular license tax	5,097,876
Payments to parishes	(350,000)
Federal Revenue (Hurricane Katrina reimbursement)	345,195
Hurricane Katrina expenses	(345,195)
Investment income:	
Interest income	1,026,702
Net increase in fair value of investments	40,908
Interest expense	(2,960,701)
Amortization of Bond Premium/Discount	176,244
Amortization of cost of issuance	(55,683)
Loss on disposal of fixed assets	-
Total non-operating revenues	<u>2,975,346</u>

**INCOME BEFORE CONTRIBUTIONS** 2,190,300

**CAPITAL CONTRIBUTIONS** -

**CHANGE IN NET ASSETS** 2,190,300

**NET ASSETS AT BEGINNING OF YEAR** 65,031,237

**NET ASSETS AT END OF YEAR** \$ 67,221,537

The accompanying notes are an integral part of this statement.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED OCTOBER 31, 2005**

**Cash flows from operating activities**

Cash received from customers, including cash deposits	\$ 14,206,908
Cash received from use of property	389,540
Cash received from other deposits	116,383
Cash paid to suppliers for goods and services	(9,910,472)
Cash paid to employees for services	(5,064,684)
Cash paid to outsiders for claims	<u>(258,878)</u>
Net cash used for operating activities	<u>(521,203)</u>

**Cash flows from non-capital financing activities**

Subsidy from federal grant	-
Subsidy from state and local grants	-
Vehicular license tax	4,968,696
Subsidy to local governments	<u>(350,000)</u>
Net cash flows from non-capital financing activities	<u>4,618,696</u>

**Cash flows from capital and related financing activities**

Purchase of capital assets	(4,571,684)
Principal payments made on bonds	(1,750,000)
Interest paid and Cost of Issuance	(2,986,951)
Bond proceeds(Net)	<u>-</u>
Net cash used for capital and related financing activities	<u>(9,308,635)</u>

**Cash flows from investing activities**

Purchase of investment securities	(224,947,980)
Proceeds from sale of investment securities	229,273,486
Interest and dividends earned on investment securities	<u>938,768</u>
Net cash provided for investing activities	<u>5,264,274</u>

**Net increase in cash and cash equivalents** 53,132

**Cash and cash equivalents at beginning of year** 2,272,501

**Cash and cash equivalents at end of year** \$ 2,325,633

(Continued)

The accompanying notes are an integral part of this financial statement.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Statement of Cash Flows  
For the Year Ended October 31, 2005**

**Reconciliation of operating income to net cash provided (used)  
by operating activities:**

Cash flows from operating activities:	
Operating income	\$ (785,046)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	4,136,809
Changes in current assets and liabilities:	
Decrease in prepaid items	104,763
Increase in operating receivables	(1,740,834)
Decrease in operating payables	(2,459,487)
Increase in compensated absences	78,228
Increase in claims liabilities	10,417
Increase in unearned revenue and deposits	133,947
Net cash used for operating activities	<u>\$ (521,203)</u>

**Noncash investing, capital, and financing activities:**

Decrease in fair value of investments	<u>\$40,908</u>
---------------------------------------	-----------------

(Concluded)

The accompanying notes are an integral part of this statement.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

Notes to the Financial Statements  
As of and for the Year Ended October 31, 2005

**INTRODUCTION**

The Greater New Orleans Expressway Commission was established by articles of incorporation dated October 20, 1954, between the parishes of Jefferson and St. Tammany. Under the authority of Louisiana Revised Statute (R.S.) 33:1324, the parishes were granted the right and privilege to unite and incorporate a joint Commission for the purpose of constructing, operating, and maintaining a toll bridge or causeway and requisite approaches across Lake Pontchartrain connecting the two parishes known as the Greater New Orleans Expressway. Article 6 Section 22(g)(5) of the 1921 Louisiana Constitution confirmed the power of the parishes to jointly construct the expressway through the issuance of revenue bonds for that purpose and the authority to levy a reasonable toll that is sufficient in amount to provide adequate pay for all costs of operation and maintenance including debt service together with funds dedicated from vehicular license taxes. In addition to operating and maintaining the 23.87 mile long parallel expressway bridges, Act 762 of 1986 of the Regular Session of the Louisiana Legislature authorized the Commission to police the Huey P. Long Bridge. The act also requires that, after all bonds principal and interest are fully paid, the expressway bridge becomes the property of the State of Louisiana and thereafter be operated and maintained by the Louisiana Department of Transportation and Development as a toll-free project and as part of the state highway system.

The Commission is governed by five members, three of whom are appointed by the governor, including one member from Jefferson Parish and another member from St. Tammany Parish for a term of two years each. The third member appointed by the governor is for a one-year term alternately from Jefferson and St. Tammany parishes. Of the remaining two members, one member is appointed from Jefferson Parish by the Jefferson Parish Council, and one member is appointed from St. Tammany Parish by the St. Tammany Parish Council for two-year terms.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting standards.

**THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Notes to the Financial Statements (Continued)**

The Commission applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements include the implementation of GASB Statement Number 34, Basic Financial Statement – Management’s Discussion and Analysis—for State and Local Governments and related standards. This new standard provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

**B. REPORTING ENTITY**

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Commission is considered a component unit of the State of Louisiana because the state exercises oversight responsibility and has accountability for fiscal matters as follows: (1) a majority of the members of the governing board are appointed by the governor; (2) the state has control and exercises authority over budget matters; (3) upon the full payment of revenue bonds principal and interest, the expressway bridge becomes property of the State of Louisiana; (4) the state sets bonded debt limits for construction and improvements; and (5) the Commission primarily serves state residents. The accompanying financial statements present information only as to the transactions of the activities of the Greater New Orleans Expressway Commission, a component unit of the State of Louisiana. Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements.

**C. FUND ACCOUNTING**

All activities of the Commission are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to the Commission is determined by its measurement focus. The transactions of the Commission are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Assets. Net assets are segregated into invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets.

## **THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION**

### **STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

#### **E. BUDGET PRACTICES**

The Commission prepares its budget in accordance with the Louisiana Local Government Budget Act, R.S. 39:1301-1315. The general manager submits proposed operating budgets to the Greater New Orleans Expressway Commission and to the general public for inspection. The budgets are prepared on a modified accrual basis of accounting. For the period under audit, the proposed budgets were advertised in the official journal on November 21, 2005. At the Commission meeting on March 7, 2006, the 2006 budget was formally adopted by the Commission. Annually, in July the original budget is amended by management and is ratified by the Commission during October.

#### **F. CASH AND INVESTMENTS**

Cash includes toll collector's bank and demand deposits. Under state law, the Greater New Orleans Expressway Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the Commission may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

The Commission may also invest in United States Treasury obligations, United States government agency obligations, and direct security repurchase agreements, or in eligible mutual funds that invest in these securities. Investments are stated at fair value.

#### **G. PREPAID ITEMS**

Payments to vendors for insurance include costs applicable to the next accounting period and are recorded as prepaid items.

#### **H. INVENTORY**

The Commission maintains an inventory of spare bridge components for emergency use and is valued at the lower of cost or market. The inventory is expensed when used.

#### **I. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are recorded at cost, if purchased or constructed. Assets acquired through contributions are capitalized at their estimated fair value, if available, or at estimated fair value or cost to construct at the date of the contribution. Equipment includes all items valued above \$1,000 and infrastructure includes the cost to construct and improve the twin bridges and related roadway approaches.

## THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION

### STATE OF LOUISIANA

#### Notes to the Financial Statements (Continued)

Assets are depreciated using the straight-line method over the useful lives of the assets as follows:

	<u>Years</u>
Automobiles	5
Data processing equipment	5
Furniture and fixtures	10
Buildings	40
Infrastructure	40

#### **J. RESTRICTED ASSETS**

Restricted assets represent unexpended revenue bond proceeds as well as certain other resources set aside for the purpose of improvements to capital assets and funding debt service payments in accordance with bond resolutions. In addition, restricted assets include resources set aside for risk management and dedicated grant proceeds.

#### **K. COMPENSATED ABSENCES**

Employees earn and accumulate annual and sick leave at various rates, depending on their years of service. Annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for all accumulated annual leave and up to 120 days of unused sick leave at the employee's hourly rate of pay at the time of termination. Upon retirement, any uncompensated annual leave at the employee's option plus unused sick leave in excess of 120 days is used to compute retirement benefits. Compensated absences are recognized as an expense and liability in the financial statements when incurred.

#### **L. LONG-TERM OBLIGATIONS**

Long-term obligations are reported at face value.

#### **M. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The Greater New Orleans Expressway Commission provides certain continuing health care and life insurance benefits for its retired employees. The Commission recognizes the cost of providing these retiree benefits as an expense when paid during the year.

#### **N. DEFERRED COMPENSATION PLAN**

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan is administered by the Greater New Orleans Expressway Commission. The plan, available to all full-time employees of the Commission, permits them to defer a portion of their salary until future years.

All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by John Hancock USA for the exclusive benefit of the participants and their beneficiaries.

**THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

Participants may contribute up to 20% of their salary with the Commission matching up to \$72 per month, but total contributions may not exceed \$18,000 annually. All contributions are immediately vested. The Commission contributed \$80,136 to the plan during the year ended October 31, 2005.

**O. NET ASSETS**

Net assets comprise the various net earnings from operation, non-operating revenues, expenses and contributions of capital. Net assets are classified in the following three components:

Invested in capital assets, net of related debt – Consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted - Consists of external constraints placed on net asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – Consists of all other net assets that are not included in the other categories previously mentioned.

**2. CASH AND INVESTMENTS**

At October 31, 2005, the Commission had cash (book balances) totaling \$2,325,633. A summary of the Commission's cash is as follows:

Toll Collectors' Bank	\$ 800
Demand accounts:	
Noninterest-bearing	719,796
Interest-bearing	1,605,037
Total	<u>\$2,325,633</u>

At October 31, 2005, the Commission had investments totaling \$37,323,622. Investments of government securities reflected in Statement A are stated at fair value as required by GASB Statement 31. The Commission used quoted market values to determine the fair value of the investments. A summary of the Commission's investments consists of the following:

Federal agency securities	\$19,780,017
U.S. Treasury securities	<u>\$17,543,605</u>
	<u>\$37,323,622</u>

Federal agency securities are securities, usually bonds, issued by a U.S. Government-sponsored agency. The offerings of these agencies are backed by the government, but not guaranteed by the government since the agencies are private entities. Such agencies have

**THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

been set up in order to allow certain groups of people to access low cost financing, e.g. students and home buyers. The Commission invested in three federal agencies' securities in the 2005 fiscal year – Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage (FHLMC or "Freddie Mac"), and Federal National Mortgage Association (FNMA or "Fannie Mae"). U.S. Treasury securities are debt obligations issued and guaranteed full faith and credit of the U.S. Government.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment - the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Commission manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Commission's investments by maturity:

Investment Type	12mths or <	13 to 24mths	25 to 60mths	> 60mths	Total
Federal agency securities	\$19,780,017				\$19,780,017
U.S. Treasury securities	17,543,605				17,543,605
Total	\$37,323,622				\$37,323,622

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a national recognized statistical rating organization. The Commission's above described investments maintained a "AAA" credit rating during the 2005 fiscal year.

**Concentration of Credit Risk**

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the state of Louisiana. Investments in any one issuer that represent 5% or more of the total Commission investments are as follows:

Issuer	Investment Type	Reported Amount
One Group	U.S. Treasury securities	\$17,543,605
Federal Home Loan Bank	Federal agency security	\$2,592,926
Federal Home Loan Mortgage	Federal agency security	\$6,361,893
Federal National Mortgage Association	Federal agency security	\$10,825,198

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or

**THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

collateral securities that are in the possession of another party. The state of Louisiana and the Commission's investment policies do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: Under state law, the bank balances of these deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal security must at all times equal or exceed the amount on deposit with the fiscal agent bank.

At October 31, 2005, all Commission deposits (collected bank balances) of \$2,288,993 were fully insured or collateralized as follows:

Insured through FDIC	\$100,000
Collateralized with securities held by the pledging Institution's trust department or agent in the commission's name	<u>2,188,993</u>
Total secured bank balances	<u><u>\$2,288,993</u></u>

**3. FEDERAL REVENUES**

As a result of Hurricane Katrina, the Commission expended \$345,195 in overtime salaries and related expenses. These expenditures have been filed with FEMA and the Commission expects to receive reimbursement. These amounts are reflected in the financial statements as Federal revenue and Hurricane Katrina expenses.

**4. RECEIVABLES**

At October 31, 2005, the Commission has receivable balances totaling \$1,763,481 as follows:

	Unrestricted	Restricted	Total
Vehicular license tax		\$1,309,190	\$1,309,190
Interest	\$28,329	80,646	108,975
Other	<u>0</u>	<u>345,316</u>	<u>345,316</u>
Total receivables	<u><u>\$28,329</u></u>	<u><u>\$1,735,152</u></u>	<u><u>\$1,763,481</u></u>

**THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

**5. CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance November 1, 2004	Additions	Deletions	Balance October 31, 2005
Business Type Activities:				
Capital assets, being depreciated:				
Building	\$1,204,210			\$1,204,210
Furniture, fixtures, and equipment	4,407,934	\$710,427		5,118,361
Infrastructure	185,374,533	9,974,722		195,349,255
Total capital assets, being depreciated	<u>190,986,677</u>	<u>10,685,149</u>	<u>0</u>	<u>201,671,826</u>
Less accumulated depreciation for:				
Building	190,666	30,105		220,771
Furniture, fixtures, and equipment	2,573,517	458,407		3,031,924
Infrastructure	97,297,624	3,648,297		100,945,921
Total accumulated depreciation	<u>100,061,807</u>	<u>4,136,809</u>	<u>0</u>	<u>104,198,616</u>
Total capital assets, being depreciated, net	<u>\$90,924,870</u>	<u>\$6,548,340</u>	<u>\$0</u>	<u>\$97,473,210</u>

**6. RETIREMENT SYSTEM**

Substantially all employees of the Commission are members of the Louisiana Parochial Employees Retirement System (System), a cost sharing, multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system for the benefit of parochial employees, which is administered and controlled by a separate board of trustees.

All Commission employees working 28 hours per week are eligible to participate in the System. Benefits vest with 7 years of service. At retirement age, employees are entitled to annual benefits equal to 3% of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. Beginning January 1, 2002 active members may be eligible to retire at age 65 with seven years of service credit. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Parochial Employees Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361. Members are required by state statute to contribute 9.50% of gross salary, and the Commission is required to contribute at an actuarially determined rate as required by R.S. 11:62. The employer contribution rate was 11.75% of annual covered payroll in fiscal years ended October 31, 2004, and 2003, respectively. In January 2005, the rate was changed to 12.75%. The Commission contributions to the System for the years ending October 31, 2005, 2004, and 2003, were \$490,085, \$388,256, and \$258,722, respectively, equal to the required contributions for each year.

## THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION

### STATE OF LOUISIANA

Notes to the Financial Statements (Continued)

#### 7. RISK MANAGEMENT

The Commission is exposed to various risks of loss relating to general liability, automotive liability, and property insurance contracts and has a self-insured risk management program to account for and finance its uninsured risks of loss. Under this program, the Commission provides coverage for general and automotive liability up to the \$200,000 deductible limits for each covered loss. The Commission purchased commercial insurance for claims in excess of coverage provided by the risk management program. Settled claims have not exceeded this commercial coverage for the fiscal year.

The Commission is a defendant or co-defendant in 15 lawsuits in which the plaintiffs allege wrongful death, property damage, personal injury, age discrimination, violation of the whistleblower statute, violation of civil rights, and employment retaliation. In the opinion of the Commission's legal counsel, the ultimate resolution of nine matters should not materially affect the financial statements. Two lawsuits (one automobile accident and one employment retaliation matter) are in the discovery phase and the likely outcome is not determined. In the assessment of the last four matters, one automobile accident will probably result in some amount of loss and there is a reasonable possibility that a loss exposure could result in the remaining three lawsuits. Accounting recognition for the potential loss exposure is provided for in the following paragraph.

At October 31, 2005, the claims liability of \$652,847 is based on the requirements of GASB Statement Number 10, which requires that a liability for claims be reported if information before the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability in fiscal year 2005 were as follows:

Estimated liability for claims at beginning of year	\$642,430
Current year:	
Claims	\$248,462
Changes in estimates	10,417
Claims payment and expenses thereon	<u>(248,462)</u>
Estimated liability for claims at end of year	<u><u>\$652,847</u></u>

#### 8. POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Substantially all Commission employees become eligible for post employment health care, dental, and life insurance benefits if they reach normal retirement age while working for the Commission. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Commission. For 2005, the cost of providing those benefits for the 24 retirees totaled \$97,013.

**THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION****STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

**9. COMPENSATED ABSENCES**

As of October 31, 2005, employees of the Commission have accumulated and vested \$1,020,025 of employee annual and sick leave benefits, which was computed in accordance with GASB Codification Section C60.

**10. LEASE AND RENTAL COMMITMENTS**

Effective May 31, 1996, the Commission entered into a fifty-year property lease from the City of Mandeville at a cost of \$25 per year.

**11. LESSOR OPERATING LEASES**

The Greater New Orleans Expressway Commission leases limited portions of the expressway bridge necessary to accommodate telecommunication equipment and cables. Future minimum rental payments to be received under these operating leases are as follows:

Fiscal year ending October 31:	
2006	\$361,877
2007	251,908
2008	170,802
2009	128,168
2010-2014	<u>103,130</u>
Total	<u>\$1,015,885</u>

**12. PAYABLES**

The following is a summary of payables at October 31, 2005:

Accounts payable	\$2,847,148
Payroll deductions and employer's payable	70,251
Payable to parishes - statutory	<u>350,000</u>
Total	<u>\$3,267,399</u>

**THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**13. LONG-TERM DEBT**

The following is a summary of the long-term obligation transactions for the year ended October 31, 2005:

	Debt Payable at November 1, 2004	Additions	Deductions and Retirement	Debt Payable at October 31, 2005	Due within one year
Revenue bonds:					
Improvements, Series 1999A	\$ 12,445,000		\$ 700,000	\$ 11,745,000	\$ 750,000
Refunding, Series 2003	54,055,000	\$ -	1,050,000	53,005,000	1,010,000
Total revenue bonds payable	66,500,000	0	1,750,000	64,750,000	1,760,000
Bond Premium (Discount)	967,986	0	176,243	791,743	57,339
	67,467,986	0	1,926,243	65,541,743	1,817,339
Compensated absences	941,797	78,228	-	1,020,025	0
Total	\$68,409,783	\$78,228	\$1,926,243	\$66,561,768	\$1,817,339

The additions and reductions to compensated absences during the 2004-2005 fiscal year represent the net change during the year because the additions and deductions could not be readily determined.

**A. REVENUE BONDS, SERIES 1999A**

On July 27, 1999, the Commission issued \$15,000,000 of Revenue Bonds, Series 1999A. The proceeds of this issue will be used to finance the cost of certain improvements to the expressway bridge. The Revenue Bonds payable at the beginning of the year were \$12,445,000. Principal due November 1, 2004, that was accrued and paid to the paying agent after the aforementioned date, amounted to \$700,000 and reduced the outstanding bonds payable to \$11,745,000 at October 31, 2005. The Revenue Bonds, Series 1999A, are secured by user fees, expressway bridge tolls, and other revenues. These bonds require future annual debt service installments of \$700,000 to \$1,265,000 beginning November 1, 2006, through November 1, 2016. The bonds carry interest rates from 4.25% to 5.25% and interest to maturity amounts to \$4,905,479 through November 1, 2016.

**B. REFUNDING REVENUE BONDS, SERIES 2003**

On April 15, 2003, the Commission issued \$54,605,000 in Refund Revenue Bonds, Series 2003. All of the Commission's outstanding Series 1992 Bonds finance a portion of Construction Costs and pay costs of issuance of the Series 2003 bonds, including the cost of the Series 2003 bonding insurance policy and the reserve fund policy.

Principal due November 1, 2004, that was accrued and paid to the paying agent after the aforementioned date, amounted to \$1,050,000 and reduced the outstanding bonds payable to \$53,005,000 at October 31, 2005. The Revenue Bonds, Series 2003, are secured by user fees, expressway bridge tolls, and other revenues. These bonds require future annual debt service installments of \$1,050,000 to \$3,210,000 beginning November 1, 2006, through November 1, 2033. The bonds carry interest rates from 2.00% to 5.00% and interest to maturity amounts to \$45,586,118 through November 1,

**THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

2033. The annual requirements to amortize all bonds outstanding at October 31, 2005, including total interest to maturity of \$45,586, 118 are as follows:

Fiscal Year	Revenue Bonds				Total
	Refunding Series 1999A		Refunding Series 2003		
	Principal	Interest	Principal	Interest	
2006	750,000	593,263	1,010,000	2,367,439	4,720,702
2007	775,000	558,763	1,060,000	2,347,239	4,741,002
2008	825,000	522,338	1,080,000	2,326,039	4,753,377
2009	850,000	483,150	1,105,000	2,301,739	4,739,889
2010	900,000	442,350	1,130,000	2,276,876	4,749,226
2011-2015	5,180,000	1,485,026	6,215,000	10,818,584	23,698,610
2016-2020	2,465,000	195,826	7,640,000	9,393,689	19,694,515
2021-2025			9,640,000	7,391,913	17,031,913
2026-2030			12,165,000	4,831,350	16,996,350
2031-2033			11,960,000	1,531,250	13,491,250
Total	\$11,745,000	\$4,280,716	\$53,005,000	\$45,586,118	\$114,616,834

**C. PRIOR YEAR DEFEASANCE OF DEBT**

The Commission defeased 1992 revenue bonds in a prior fiscal year by placing a portion of the proceeds of the 2003 series bonds in irrevocable trusts to provide for future debt service payments on the old bonds. A portion of the proceeds of the new debt were used to purchase US Government securities. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the Commission's financial statements. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. At October 31, 2005 \$46.245 million of the 1992 bonds are considered defeased.

**THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

**14. NET ASSETS**

Net assets represent the difference between assets and liabilities. The composition of net assets was as follows:

Invested in Capital Assets, Net of Related Debt:

Net property, plant and equipment (net of depreciation)	\$ 97,473,210
Less:	
Current portion of bonds payable	(1,817,339)
Noncurrent portion of revenue bonds payable	<u>(63,724,404)</u>
Invested in Capital Assets, Net of Related Debt	<u><u>\$ 31,931,467</u></u>

Restricted for Special Revenue, Debt Service, Capital Projects  
and Risk Management:

Restricted investments	\$18,283,178
Restricted receivables	1,735,152
Liabilities from restricted assets:	
Capital projects	(699,809)
Accrued interest	<u>(1,480,351)</u>
Restricted for Special Revenue, Debt Service, Capital Projects and Risk Management:	<u><u>\$17,838,170</u></u>
Restricted for Future Acquisition of Equipment	<u><u>\$125,000</u></u>

## **SUPPLEMENTAL INFORMATION SCHEDULES**

The following schedules present additional information relating to the financial statements. In addition, cash receipts and disbursements schedules by trust and other accounts are required by the General Bond Resolution dated September 26, 1986, and by the Series 1992, 1999A, 2003 bond resolutions dated December 4, 1992, June 16, 1999, and April 15, 2003, respectively.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended October 31, 2005**

**GENERAL FUND ACCOUNTS**

**Revenue Account**

All revenues collected by the Commission are deposited to this account. Transfers are then made as required by the bond resolution.

**Collateral Undisbursed Debt Service Account**

Funds are transferred to this account whenever the amount on deposit in the Debt Service Account is not at least equal to the accrued aggregate debt service through the end of the next succeeding month. When funds are deposited to the debt service account bringing the balance equal to accrual aggregate debt service through the end of the next succeeding month, then the funds in the Collateral Undisbursed Debt Service Account are returned to the accounts from which they were transferred.

**Operation and Maintenance Account**

Monies transferred to the Operation and Maintenance Account are used to finance operations (general and administrative).

**Extraordinary Maintenance and Repair Reserve Account**

The monies in the Extraordinary Maintenance and Repair Reserve Account may be used for major resurfacing, replacement, or reconstruction and extraordinary repairs, renewals, or replacement of the expressway.

**Excess Revenue Account**

This account maintains any surplus remaining at the end of a fiscal year pending distribution pursuant to Act 762 of the 1986 Louisiana Legislature.

**Huey P. Long Bridge Account**

As provided by Act 762 of the 1986 Louisiana Legislature, the Commission shall use as much of its surplus as may be necessary for its officers to police the Huey P. Long Bridge.

**Asset Forfeiture Account**

This account maintains assets seized by the expressway police.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES (Continued)**

**SPECIAL REVENUE ACCOUNTS**

**Vehicular License Tax**

All monies received from the State of Louisiana Highway Fund Number 2 are deposited to the Vehicular License Tax Account. The monies received are dedicated and transferred to the Debt Service Account.

**Emergency Evacuation Project**

Monies received from the Federal Emergency Management Agency are being used to study evacuation routes.

**DEBT SERVICE ACCOUNTS**

**Debt Service Account**

Monies are deposited to this account from the Vehicular License Tax Special Revenue Account to pay yearly debt service. Future sinking fund installments will also be deposited to this account.

**Debt Service Reserve Account**

This account maintains a balance equal to the Debt Service Reserve Account requirement (maximum annual debt service requirements for the current or any future year). Monies from this account can be used to supplement any shortfall in the Debt Service Account.

**Cost of Issuance Account**

A portion of the initial bond proceeds of the 1999A and 2003 Series bond issue was deposited to this account for payment of legal fees and other cost associated with the issuance of the bonds.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES (Continued)**

**CAPITAL PROJECTS ACCOUNTS**

**Construction - Series 1986**

The Construction Series 1986 Account is used for major maintenance and capital improvements to the expressway bridge from the proceeds of the 1986 capital improvement bond issue.

**Construction - Series 1999A**

The Construction Series 1999A Account is used for major maintenance and capital improvements to the expressway bridge from the proceeds of the 1999A capital improvement bond issue.

**Construction - Series 2003**

The Construction Series 2003 Account is used for major maintenance and capital improvements to the expressway bridge from the proceeds of the 2003 capital improvement bond issue.

**Bridge Rehabilitation**

A special fifty cents toll assessment was authorized to fund improvements to the expressway bridge. This account is used for capital improvements financed by the fifty cents toll.

**INTERNAL SERVICE ACCOUNT**

Resources are accumulated in this account to finance risk management deductible losses arising from claims and litigation.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Cash Receipts and Disbursements  
For the Year Ended October 31, 2005**

				GENERAL
	REVENUE	COLLATERAL UNDISBURSED DEBT SERVICE	OPERATIONS AND MAINTENANCE	EXTRAORDINARY MAINTENANCE AND REPAIR RESERVE
<b>BALANCES AT NOVEMBER 1, 2004</b>	<b>\$ 235,443</b>	<b>\$ -</b>	<b>\$ 1,088,807</b>	<b>\$ 104,638</b>
<b>RECEIPTS</b>				
Tolls	14,206,908			
Vehicular license tax				
Intergovernmental grants:				
Federal				
State				
Use of money and property:				
Leases	389,540			
Investment income	11,172	8,670	23,137	53,414
Cost Issuance Refund				
Other	83,064		30,469	
Investment sales and maturities	12,295,305	2,773,959		25,509,467
Transfers in	355,286	393,392	8,090,159	9,606,745
Total receipts	<u>27,341,275</u>	<u>3,176,021</u>	<u>8,143,765</u>	<u>35,169,626</u>
<b>DISBURSEMENTS</b>				
Personal services			4,273,480	
Contractual services			43,098	
Operating services			1,974,544	
Supplies and maintenance			631,107	648
Professional services			251,067	6,480,454
Administrative	142,962		121,293	
Capital outlay			529,388	73,884
Debt services:				
Principal retirement				
Interest				
Cost of Issuance				
Intergovernmental expenditures - parishes	350,000			
Insurance settlements			258,878	
Investment purchases	12,295,305	1,982,192		28,533,694
Transfers out	14,420,085	1,193,829	10,625	185,584
Total disbursements	<u>27,208,352</u>	<u>3,176,021</u>	<u>8,093,480</u>	<u>35,274,264</u>
<b>BALANCES AT OCTOBER 31, 2005</b>	<b>\$ 368,366</b>	<b>\$ -</b>	<b>\$ 1,139,092</b>	<b>\$ -</b>

(Continued)

# Schedule 1

ACCOUNTS			SPECIAL REVENUE ACCOUNTS		
EXCESS REVENUE	HUEY P. LONG BRIDGE	ASSETS FORFEITURE	VEHICULAR LICENSE TAX	MOTORIST ASSIST PROGRAM	EMERGENCY EVACUATION PROJECT
\$ 700,000	\$ 98,752	\$ 30,406	\$ -	\$ -	\$ 14,455
			4,968,696		
26,765	13,896		59,431	32	
		2,850			
6,508,135	1,019,798		4,720,701		
8,637,626					
15,172,526	1,033,694	2,850	9,748,828	32	-
	791,204				
	1,425				
	42,589				
	17,866				
	4,487				
	151,156				
7,519,934	13,835		5,028,127		
7,652,592	24,965		4,720,701	32	14,455
15,172,526	1,047,527	-	9,748,828	32	14,455
\$ 700,000	\$ 84,919	\$ 33,256	\$ -	\$ -	\$ -

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Cash Receipts and Disbursements  
For the Year Ended October 31, 2005**

	DEBT SERVICE ACCOUNTS			
	DEBT SERVICE	DEBT SERVICE RESERVE	COST OF ISSUANCE	ESCROW 2003
<b>BALANCES AT NOVEMBER 1, 2004</b>	\$ -	\$ -	\$ -	\$ -
<b>RECEIPTS</b>				
Tolls				
Vehicular license tax				
Intergovernmental grants:				
Federal				
State				
Use of money and property:				
Leases				
Investment income	19,272	22,520	289	
Cost Issuance Refund				
Other				
Investment sales and maturities	11,307,036	7,133,776	13,876	
Transfers in	5,400,076	393,392		
Total receipts	16,726,384	7,549,688	14,165	-
<b>DISBURSEMENTS</b>				
Personal service				
Contractual services				
Operating services				
Supplies and maintenance				
Professional services				
Administrative				
Capital outlay				
Debt services:				
Principal retirement	1,750,000			
Interest	2,986,951			
Cost of Issuance				
Intergovernmental expenditures - parishes				
Insurance settlements				
Investment purchases	11,969,606	7,276,048	289	
Transfers out	19,827	273,640	13,876	
Total disbursements	16,726,384	7,549,688	14,165	-
<b>BALANCES AT OCTOBER 31, 2005</b>	\$ -	\$ -	\$ -	\$ -

(Concluded)

Schedule 1

CAPITAL PROJECTS ACCOUNTS

CONSTRUCTION SERIES				BRIDGE REHABILITATION	MAGNETIC LEVITATION PROJECT	INTERNAL SERVICE	TOTAL
1986	1992	1999A	2003				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,272,501
							14,206,908
							4,968,696
							-
							-
							389,540
858	35	8,929	198,403	461,506		30,439	938,768
							-
							116,383
116,727	1,697	506,050	51,989,361	97,379,225		7,998,373	229,273,486
				3,956,715			36,833,391
117,585	1,732	514,979	52,187,764	101,797,446	-	8,028,812	286,727,172
							5,064,684
							44,523
							2,017,133
							649,621
							6,731,521
94,622		104,310					467,674
				3,817,256			4,571,684
							1,750,000
							2,986,951
							-
							350,000
							258,878
858	35	8,929	52,187,764	90,102,552		8,028,812	224,947,980
22,105	1,697	401,740		7,877,638			36,833,391
117,585	1,732	514,979	52,187,764	101,797,446	-	8,028,812	286,674,040
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,325,633

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended October 31, 2005**

**COMPENSATION PAID COMMISSIONERS**

The schedule of compensation paid Commission members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Members of the Commission are entitled to compensation of \$570 per month as authorized by an amendment to the Articles of Incorporation dated August 7, 1986, and are included in the general administrative expenditures of the General Fund.

**Schedule 2****GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA****Schedule of Compensation Paid Commissioners  
For the Year Ended October 31, 2005**

Lance Albin	\$ 6,836
John L. Donahue, Jr.	1,139
Kyle M. France	5,697
Patricia LeBlanc	6,836
Frank L. Levy	1,528
Joseph W. Salter	6,836
Ben Slater, III	4,997
Joy H. Zainey	<u>311</u>
<b>Total</b>	<u><u>\$ 34,180</u></u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended October 31, 2005**

**STATISTICAL INFORMATION**

The General Bond Resolution dated September 25, 1986, requires the following additional schedules:

Schedule of Investments

Schedule of Revenue from Tolls

Schedule of Traffic – Number of Crossings (Unaudited)

Schedule of Insurance (Unaudited)

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**
**Schedule of Investments  
As of October 31, 2005**

	<b>FAIR VALUE</b>	<b>CARRYING VALUE</b>	<b>PAR VALUE</b>
<b>GENERAL:</b>			
Extraordinary Maintenance and Repair Reserve Account:			
Federal Home Loan Bank Discount Note:			
Due January 10, 2006	\$ 2,012,202	\$ 2,012,202	\$ 2,028,000
Federal Home Loan Mortgage Corporation Discount Note:			
Due February 28, 2006	3,511,914	3,511,914	3,559,000
Federal National Mortgage Association Discount Note:			
Due November 2, 2005	2,232,531	2,232,531	2,233,000
Due December 7, 2005	2,012,835	2,012,835	2,021,000
Money Market - One Group - United States Treasury Securities			
Money Market Fund Class I	7,097,655	7,097,655	7,097,655
Collateral Undisbursed Debt Service Account:			
United States Treasury Securities - Money Market Fund Class I	402,062	402,062	402,062
Excess Revenue Account - Money Market - One Group			
United States Treasury Securities - Money Market Fund Class I	1,771,246	1,771,246	1,771,246
Huey P. Long Bridge Account - Money Market - One Group			
United States Treasury Securities - Money Market Fund Class I	123,022	123,022	123,022
<b>DEBT SERVICE:</b>			
Debt Service Fund Account:			
Money Market - One Group - United States Treasury Securities			
Money Market Fund Class I	1,970,041	1,970,041	1,970,041
Federal Home Loan Mortgage Corporation Discount Note			
Due November 1, 2005	892,000	892,000	892,000
Debt Service Reserve Account:			
Money Market - One Group - United States Treasury Securities			
Money Market Fund Class I	783	783	783
Federal National Mortgage Association Discount Note:			
Due November 2, 2005	1,366,850	1,366,850	1,367,000
Ambac Assurance Corporation Surety Bond Policy No. SB1602BE			1
2003 Account:			
Cost of Issuance Fund:			
Money Market - One Group - United States Treasury Securities			
Money Market Fund Class I	-	-	-
<b>CAPITAL PROJECTS:</b>			
2003 Account:			
Revenue Bonds:			
Federal Home Loan Mortgage Corporation Discount Note:			
Due January 9, 2006	1,604,630	1,604,630	1,617,000
Federal National Mortgage Association Discount Note:			
Due November 9, 2005	3,025,335	3,025,335	3,028,000
Due December 7, 2005	2,012,936	2,012,936	2,021,000
Money Market - One Group - United States Treasury Securities			
Money Market Fund Class I	1,624,505	1,624,505	1,624,505

(Continued)

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Investments  
As of October 31, 2005**

	<u>FAIR VALUE</u>	<u>CARRYING VALUE</u>	<u>PAR VALUE</u>
<b>SPECIAL REVENUE:</b>			
Vehicular License Tax Fund:			
<i>Money Market - One Group - United States Treasury Securities</i>			
Money Market Fund Class I	4,552,415	4,552,415	4,552,415
<b>INTERNAL SERVICE FUND:</b>			
Self Insurance Account:			
Federal Home Loan Bank Discount Note:			
Due January 10, 2006	580,724	580,724	585,000
Federal Home Loan Mortgage Corporation Discount Note:			
Due December 13, 2005	353,349	353,349	355,000
Federal National Mortgage Association Discount Note:			
Due November 16, 2005	174,711	174,711	175,000
<i>Money Market - One Group - United States Treasury Securities</i>			
Money Market Fund Class I	1,876	1,876	1,876
<b>Total</b>	<u>\$ 37,323,622</u>	<u>\$ 37,323,622</u>	<u>\$ 37,424,606</u>

(Concluded)

**Schedule 4****GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA****Schedule of Revenue From Tolls  
For the Year Ended October 31, 2005**

	<u>NORTH SHORE</u>
2004:	
November	\$ 1,283,176
December	1,349,805
2005:	
January	1,255,786
February	1,164,400
March	1,386,731
April	1,339,796
May	1,370,303
June	1,348,441
July	1,187,752
August	1,167,571
September	-
October	<u>739,269</u>
Subtotal	\$ 13,593,030
Discounted toll tag forfeitures	<u>187,583</u>
Total	<u><u>\$ 13,780,613</u></u>

**NOTE:**

On May 5, 1999, the commission began collecting tolls on the North Shore only.

Hurricane Katrina - Tolls suspended from August 27, 2005 - October 17, 2005.

**UNAUDITED**

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of North Shore Traffic - Number of Crossings  
For the Year Ended October 31, 2005**

	AXLES UNDER 7'5" HEIGHT				AXLES OVER 7'5" HEIGHT			
	2	3	4	5 OR MORE	2	3	4	5 OR MORE
2004:								
November	214,052	1,243	453	27	3,296	516	568	654
December	231,494	1,024	405	14	3,538	531	559	628
2005:								
January	203,104	972	399	12	3,218	486	604	670
February	191,532	788	319	9	3,217	465	542	605
March	224,294	1,157	533	14	3,751	650	754	822
April	219,013	1,257	585	20	3,651	586	704	776
May	227,188	1,354	625	27	3,850	635	732	786
June	223,852	1,357	555	17	3,936	599	676	723
July	202,062	1,246	547	9	3,327	451	651	633
August	189,142	1,116	466	9	3,404	462	610	599
September	0	0	0	0	0	0	0	0
October	142,007	1,407	871	13	3,720	723	915	889
Total	<u>2,267,740</u>	<u>12,921</u>	<u>5,758</u>	<u>171</u>	<u>38,908</u>	<u>6,104</u>	<u>7,315</u>	<u>7,785</u>

## Schedule 5

NON-REVENUE VEHICLES	AUTOMATIC VEHICLE IDENTIFICATION NON-REVENUE (BRIDGE VEHICLES)	AUTOMATIC VEHICLE IDENTIFICATION DISCOUNT TOLL VEHICLES	AUTOMATIC VEHICLE IDENTIFICATION RECREATIONAL VEHICLES	AUTOMATIC VEHICLE IDENTIFICATION FULL TOLL VEHICLES	TOTAL VEHICLES
6,024	2,916	236,350	90	23,157	489,346
7,472	2,950	240,681	90	25,338	514,724
6,096	3,004	241,873	80	22,830	483,348
6,954	2,959	219,656	67	21,434	448,547
6,861	3,179	261,468	86	25,631	529,200
6,581	3,011	248,269	73	24,534	509,060
6,486	3,050	247,154	58	25,348	517,293
6,735	2,955	243,640	57	24,777	509,879
44,406	2,739	208,521	42	21,525	486,159
15,480	2,627	218,021	41	21,492	453,469
265,436	3	2	0	0	265,441
361,249	1,370	86,288	25	9,890	609,367
<u>739,780</u>	<u>30,763</u>	<u>2,451,923</u>	<u>709</u>	<u>245,956</u>	<u>5,815,833</u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Insurance  
For the Year Ended October 31, 2005**

COVERAGE	UNDERWRITER	NUMBER	POLICY PERIOD	LIMITS
<b>BRIDGE PROPERTY DAMAGE</b> Including: Bridge structure Spare structural components Electronic data processing equipment Variable message signs Hazard incident lights Call boxes and control consoles EDP (Related to VMS/HIL/CB) EDP media Business income EDP extra expense Building and contents Scheduled property and equipment Various Deductibles	St. Paul Insurance Co.	IM04200195	11/1/02-11/1/03	\$ 90,000,000
<b>BRIDGE USE AND OCCUPANCY</b> 7 Day Deductible	St. Paul Insurance Co.	IM04200195	11/1/02-11/1/03	\$18,800,000
<b>EMPLOYEE DISHONESTY BOND</b> with \$5,000 deductible	Travelers	103383074	11/1/02-11/1/03	\$ 300,000 Blanket Limit \$200,000 Forgery and Alterations \$ 50,000 Money In/Out
<b>RETAINED LIMITS LIABILITY</b>	American Alternative Ins. Co.	01A2FR000000801	11/1/02-11/1/03	
Comprehensive general liability retention applicable to each loss is \$200,000	American Alternative Ins. Co.	01A2FR000000801	11/1/02-11/1/03	\$ 9,850,000 Per Occurrence and Aggregate
Law enforcement liability retention applicable to each loss is \$200,000	American Alternative Ins. Co.	01A2FR000000801	11/1/02-11/1/03	\$ 9,850,000 Per Occurrence and Aggregate
Excess automobile liability retention applicable to each loss is \$200,000	American Alternative Ins. Co.	01A2FR000000801	11/1/02-11/1/03	\$ 9,800,000 Each Accident and Aggregate
Public officials liability retention applicable to each loss is \$200,000	American Alternative Ins. Co.	01A2FR000000801	11/1/02-11/1/03	\$ 9,990,000 Per Occurrence and Aggregate

(Continued)

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Insurance, 2005**

COVERAGE	UNDERWRITER	NUMBER	POLICY PERIOD	LIMITS
<b>STAND ALONE EXCESS LIABILITY</b>	Lexington	53543236	11/1/02-11/1/03	\$ 10,000,000
<b>WORKER'S COMPENSATION</b> Employers' liability	LWCC	83403-D	11/1/02-11/1/03	Statutory \$ 1,000,000 Each Accident Disease Limit Disease Each Person
<b>EXPRESS MARITIME EMPLOYERS LIABILITY</b> \$5,000 deductible per claim	XL Specialty Ins. Co.	PXMC849751	3/2/02-3/2/03	\$ 1,000,000 Any Person Any 1 Accident
<b>AUTOMOBILE POLICY (MAP)</b> Comprehensive - \$500 deductible applicable to each accident Collision - \$1,000 deductible applicable to each accident	Clarendon National Insurance	DSA006789	11/1/02-11/1/03	\$ 1,000,000 Each Accident Excluded Uninsured Motorist
<b>BOILER AND MACHINERY</b> \$5,000 deductible per claim	Hartford Steam Boiler	FBP2241054-03	06/14/02-06/14/03	\$ 20,000,000
<b>POLICE OFFICERS FAITHFUL PERFORMANCE BOND</b>	C.N.A. Surety	609006850	5/12/2000 Until Cancelled	\$ 10,000 Per Officer
<b>POLLUTION LEGAL LIABILITY</b> \$100,000 deductible applicable to each incident	American International Spec.	PLS6191242	12/18/00-12/18/05	\$ 5,000,000 Each incident and Aggregate
<b>CONTRACTORS POLLUTION LIABILITY</b> \$100,000 deductible applicable to each claim	American International Spec.	CPL6191241	12/18/00-12/18/05	\$ 5,000,000 Each Claim and Aggregate

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

The following pages contain a report on compliance with laws and regulations and on internal control required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.

# T.A. Harris Inc. Certified Public Accountant

A Professional Accounting Corporation

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Greater New Orleans Expressway Commission  
State of Louisiana  
Metairie, Louisiana

We have audited the basic financial statements of the Greater New Orleans Expressway Commission (the Commission) as of and for the year ended October 31, 2005, and have issued our report thereon dated April 24, 2006. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the Commission's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Commission, the Commission's management and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*T.A. Harris, Inc. APAC*

April 24, 2006  
Baton Rouge, Louisiana

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**

**SCHEDULE OF PRIOR YEAR FINDINGS**

**FOR THE YEAR ENDED OCTOBER 31, 2005**

<u>FINDING</u>	<u>STATUS</u>
----------------	---------------

N/A	
-----	--

**Division of Administration  
Reporting Package**

GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
Annual Financial Statements  
October 31, 2005

C O N T E N T S

TRANSMITTAL LETTER  
AFFIDAVIT

Statements

MD&A

Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities	C
Statement of Cash Flows	D

Notes to the Financial Statements

A.	Summary of Significant Accounting Policies
B.	Budgetary Accounting
C.	Deposits with Financial Institutions and Investments
D.	Capital Assets – Including Capital Lease Assets
E.	Inventories
F.	Restricted Assets
G.	Leave
H.	Retirement System
I.	Post Retirement Health Care and Life Insurance Benefits
J.	Leases
K.	Long-Term Liabilities
L.	Litigation
M.	Related Party Transactions
N.	Accounting Changes
O.	In-Kind Contributions
P.	Defeased Issues
Q.	Cooperative Endeavors
R.	Government-Mandated Nonexchange Transactions (Grants)
S.	Violations of Finance-Related Legal or Contractual Provisions
T.	Short-Term Debt
U.	Disaggregation of Receivable Balances
V.	Disaggregation of Payable Balances
W.	Subsequent Events
X.	Segment Information
Y.	Due to/Due from and Transfers
Z.	Liabilities Payable from Restricted Assets
AA.	Prior-Year Restatement of Net Assets

Schedules

1	Schedule of Per Diem Paid Board Members
2	Schedule of State Funding
3	Schedules of Long-Term Debt
4	Schedules of Long-Term Debt Amortization
15	Schedule of Comparison Figures and Instructions

## Appendices

- A Instruction for the Simplified Statement of Activities
- B Information for Note C "Deposits with Financial Institutions and Investments"

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF OCTOBER 31, 2005**

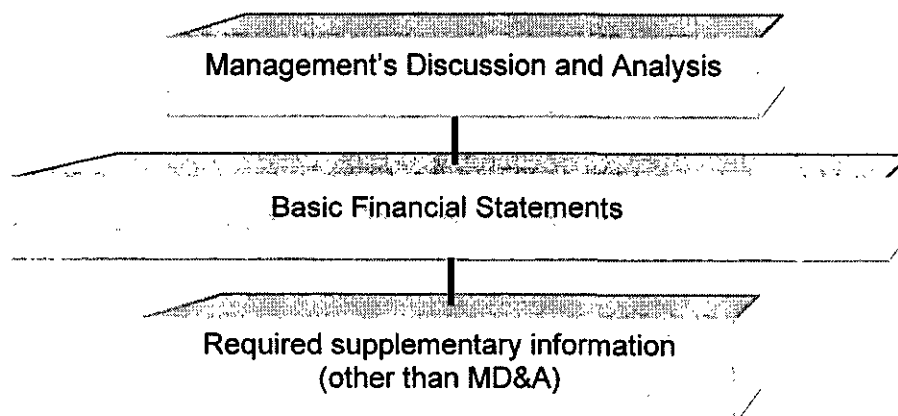
The Management's Discussion and Analysis of the \_\_\_\_GNOEC\_\_\_\_'s (BTA) financial performance presents a narrative overview and analysis of \_\_\_\_GNOEC\_\_\_\_'s (BTA) financial activities for the year ended October 31 2005. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter presented on pages 3 - 7 and the \_\_\_\_GNOEC\_\_\_\_'s (BTA) financial statements, which begin on page 14.

**FINANCIAL HIGHLIGHTS**

- ★ The \_\_\_\_GNOEC\_\_\_\_'s (BTA) assets exceeded its liabilities at the close of fiscal year 2005 by \_\_\_\_\$67,221,537\_\_\_\_ which represents a 3.4% increase from last fiscal year. The net assets increased by \$2,190,300 (or 3.4%).
- ★ The \_\_\_\_GNOEC\_\_\_\_'s (BTA) revenue decreased \$1,853,107 (or 11.9%), this was due to the suspension of toll collections for 52 days due to Hurricane Katrina.
- ★ The Highway Fund #2 (Vehicular License Tax), which is dedicated to debt service, increased by \$315,977 (or 6.6%)

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

**Basic Financial Statements**

The basic financial statements present information for the \_\_\_\_GNOEC\_\_\_\_ (BTA) as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF OCTOBER 31, 2005**

section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet (Stmnt A) presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the \_\_\_\_GNOEC\_\_\_\_ (BTA) is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (Stmnt B) presents information showing how \_\_\_\_GNOEC\_\_\_\_'s (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (Stmnt D) presents information showing how \_\_\_\_GNOEC\_\_\_\_'s (BTA) cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets as of October 31, 2005 (in thousands)		
	Total	
	2005	2004
Current and other assets	\$ 43,291,788	\$ 47,532,505
Capital assets	97,473,210	90,924,870
Total assets	140,764,998	138,457,375
Other liabilities	9,819,057	7,741,246
Long-term debt outstanding	63,724,404	65,684,892
Total liabilities	73,543,461	73,426,138
Net assets:		
Invested in capital assets, net of debt	31,931,467	23,456,884
Restricted	17,963,170	33,313,225
Unrestricted	17,326,900	8,261,128
Total net assets	\$ 67,221,537	\$ 65,031,237

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of \_\_\_\_GNOEC\_\_\_\_'s (BTA) increased by \$ 2,190,300, or 3.4%, from October 31, 2004 to October 31, 2005. One of the major causes of this increase is that user fees, etc were greater than the cost of operations. In addition capital improvements are not charges against current revenues but

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF OCTOBER 31, 2005**

are capitalized within property, plant, and equipment account and depreciated over future

**Statement of Revenues, Expenses, and Changes in Fund Net Assets  
for the years ended October 31, 2005**

	<u>Total</u>	
	<u>2005</u>	<u>2004</u>
Operating revenues	\$ 14,276,477	\$ 16,090,163
Operating expenses	<u>15,061,523</u>	<u>14,854,201</u>
Operating income(loss)	<u>(785,046)</u>	<u>1,235,962</u>
Non-operating revenues(expenses)	<u>2,975,346</u>	<u>2,108,424</u>
Income(loss) before transfers	<u>2,190,300</u>	<u>3,344,386</u>
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ <u>2,190,300</u>	\$ <u>3,344,386</u>

periods. future periods

The \_\_\_GNOEC\_\_\_'s (BTA) total revenues decreased by \$852,753 or 3.9%. The total cost of all programs and services increased by \$847,267 or less than 11.8%.

**STATEMENT OF CASH FLOWS**

Another way to assess the financial health of BTA is to look at the Statement of Cash Flows. The Statement of Cash Flows assists readers of this statement to assess:

- The ability to generate future cash flows
- The ability to meet obligations as they come due
- A need for external financing

**Statement of Cash Flows**

	<u>2005</u>	<u>2004</u>
Cash and cash equivalents provided used by:		
Operating activities	\$(521,203)	\$3,806,064
Capital Financial Activities	(9,308,635)	(14,367,176)
Non-capital financing activities	4,618,696	5,375,199
Investing activities	5,264,274	5,308,079
Net increase in cash and cash equivalents	53,132	122,166
Cash and cash equivalents		
Beginning of year	2,272,501	2,150,335
End of year	<u>\$2,325,633</u>	<u>\$2,272,501</u>

STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF OCTOBER 31, 2005

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2005, the \_\_\_\_GNOEC\_\_\_\_ (BTA) had \$97,473,210 invested in a broad range of capital assets, including expressway bridge, building, vehicles, furniture, fixtures and equipment. (See Table below)

This amount represents a net increase (including additions and deductions) of \$6,548,340, or 7.2%, over last year.

Capital Assets at Year-end  
(Net of Depreciation )

	2005	2004
Land	\$	\$
Buildings and improvements	983,439	1,013,544
Equipment	2,086,437	1,834,417
Infrastructure	94,403,334	88,076,909
Totals \$	<u>\$ 97,473,210</u>	<u>\$ 90,924,870</u>

This year's major additions included :

- Bridge Improvements 9,974,722
- Furniture, fixtures and equipment 710,427
- 

**Debt**

The \_\_\_\_GNOEC\_\_\_\_ (BTA) had \$ 65,541,743 in bonds and notes outstanding at year-end, compared to \$67,467,986 last year, a decrease of 2.9 % as shown in the table below.

Outstanding Debt at Year-end  
(in thousands)

	2005	2004
General Obligation Bonds	\$	\$
Revenue Bonds and Notes	65,541,743	67,467,986
Totals \$	<u>65,541,743</u>	<u>67,467,986</u>

New debt resulted from \_\_\_\_\_.

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF OCTOBER 31, 2005**

The \_\_\_ GNOEC \_\_\_ (BTA)'s bond rating continues to carry the \_\_\_ rating for general obligation bonds, and \_\_\_ Standard & Poors A \_\_\_ rating for other debt.

The \_\_\_ GNOEC \_\_\_ (BTA) has claims and judgments of \$ \_\_\_ 652,847 \_\_\_ outstanding at year-end compared with \$ \_\_\_ 642,430 \_\_\_ last year. Other obligations include accrued vacation pay and sick leave.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Revenues were approximately \$2.8 million under budget and expenditures were more than budget due in part to Hurricane Katrina.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The \_\_\_ GNOEC \_\_\_'s (BTA) elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 
- 
- 

The \_\_\_ GNOEC \_\_\_ (BTA) expects that next year's results will improve based on the following :

- 
- 
- 

**CONTACTING THE \_\_\_ GNOEC \_\_\_'S (BTA) MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the \_\_\_ GNOEC \_\_\_'s (BTA) finances and to show the \_\_\_ GNOEC \_\_\_'s (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contac:

Director of Finance  
GNOEC  
PO Box 7656  
Metairie, LA 70010

**STATE OF LOUISIANA  
GNOEC (BTA)  
BALANCE SHEET  
AS OF October 31, 2005**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents (Note C1)	\$	2,325,633
Investments (Note C2)		19,040,444
Receivables (net of allowance for doubtful accounts)(Note U)		28,329
Due from other funds (Note Y)		
Due from federal government		
Inventories		329,575
Prepayments		17,728
Notes receivable		
Other current assets		
Total current assets		21,741,709

**NONCURRENT ASSETS:**

Restricted assets (Note F):		
Cash		
Investments		18,283,178
Receivables		1,735,152
Notes receivable		
Investments		
Capital assets (net of depreciation)(Note D)		97,473,210
Land		
Buildings and improvements		
Machinery and equipment		
Infrastructure		
Construction in progress		
Other noncurrent assets		1,531,749
Total noncurrent assets		119,023,289
Total assets	\$	140,764,998

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$	2,567,590
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		685,468
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations - (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		699,809
Bonds payable		1,817,339
Other long-term liabilities		1,480,351
Total current liabilities		7,250,557

**NON-CURRENT LIABILITIES:**

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		1,020,025
Capital lease obligations (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		63,724,404
Other long-term liabilities		1,548,475
Total long-term liabilities		66,292,904
Total liabilities		73,543,461

**NET ASSETS**

Invested in capital assets, net of related debt		31,931,467
Restricted for:		
Capital projects		125,000
Debt service		
Unemployment compensation		
Other specific purposes		17,838,170
Unrestricted		17,326,900
Total net assets		67,221,537
Total liabilities and net assets	\$	140,764,998

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA**  
**GNOEC (BTA)**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED October 31, 2005**

<b>OPERATING REVENUES</b>	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____ 389,540
Licenses, permits, and fees	_____ 13,780,613
Other	_____ 106,324
Total operating revenues	_____ 14,276,477
<b>OPERATING EXPENSES</b>	
Cost of sales and services	_____ 10,655,973
Administrative	_____ 268,741
Depreciation	_____ 4,136,809
Amortization	_____
Total operating expenses	_____ 15,061,523
Operating income(loss)	_____ (785,046)
<b>NON-OPERATING REVENUES(EXPENSES)</b>	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____ 5,097,876
Use of money and property	_____
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____ (1,933,999)
Other	_____ (188,531)
Total non-operating revenues(expenses)	_____ 2,975,346
Income(loss) before contributions and transfers	_____ 2,190,300
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	_____ 2,190,300
Total net assets – beginning as restated	_____ 65,031,237
Total net assets – ending	\$ <u>67,221,537</u>

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA  
GNOEC (BTA)  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED October 31, 2005

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Entity	\$ 18,773,102	\$ 14,170,153	\$ 345,195	\$	(4,257,754)
General revenues:					
Taxes					5,097,876
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					1,026,702
Miscellaneous					323,476
Special items					
Transfers					
Total general revenues, special items, and transfers					6,448,054
Change in net assets					2,190,300
Net assets - beginning as restated					65,031,237
Net assets - ending				\$	67,221,537

**STATE OF LOUISIANA  
GNOEC (BTA)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED October 31, 2005**

<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 14,206,908	
Cash payments to suppliers for goods and services	(9,910,472)	
Cash payments to employees for services	(5,064,684)	
Payments in lieu of taxes		
Internal activity payments to other funds		
Claims paid to outsiders	(258,878)	
Other operating revenues(expenses)	505,923	
Net cash provided(used) by operating activities		\$ (521,203)
<b>Cash flows from non-capital financing activities</b>		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other	4,618,696	
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing		4,618,696
<b>Cash flows from capital and related financing activities</b>		
Proceeds from sale of bonds		
Principal paid on bonds	(1,750,000)	
Interest paid on bond maturities	(2,986,951)	
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(4,571,684)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		(9,308,635)
<b>Cash flows from investing activities</b>		
Purchases of investment securities	(224,947,980)	
Proceeds from sale of investment securities	229,273,486	
Interest and dividends earned on investment securities	938,768	
Net cash provided(used) by investing activities		5,264,274.00
Net increase(decrease) in cash and cash equivalents		53,132.00
Cash and cash equivalents at beginning of year		2,272,501.00
Cash and cash equivalents at end of year		\$ <u>2,325,633.00</u>

The accompanying notes are an integral part of this statement.

Statement D (continued)

**STATE OF LOUISIANA  
GNOEC (BTA)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED October 31, 2005**

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)	\$ (785,046)
Adjustments to reconcile operating income(loss) to net cash	
Depreciation/amortization	4,136,809
Provision for uncollectible accounts	
Changes in assets and liabilities:	
(Increase)decrease in accounts receivable, net	(1,740,834)
(Increase)decrease in due from other funds	
(Increase)decrease in prepayments	104,763
(Increase)decrease in inventories	
(Increase)decrease in other assets	
Increase(decrease) in accounts payable and accruals	(2,459,487)
Increase(decrease) in accrued payroll and related benefits	
Increase(decrease) in compensated absences payable	78,228
Increase(decrease) in due to other funds	
Increase(decrease) in deferred revenues	
Increase(decrease) in other liabilities	144,364
Net cash provided(used) by operating activities	\$ (521,203)

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease	\$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
Decrease in fair value of investments		40,908
<b>Total noncash investing, capital, and financing activities:</b>	<b>\$</b>	<b>40,908</b>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA**  
**GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended October 31, 2005**  
**INTRODUCTION**

The \_\_\_\_GNOEC\_\_\_\_(BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute \_\_\_\_33:1324\_\_\_\_. The following is a brief description of the operations of \_\_\_\_GNOEC\_\_\_\_(BTA) which includes the parish/parishes in which the (BTA) is located:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of \_\_\_\_GNOEC\_\_\_\_ present information only as to the transactions of the programs of the \_\_\_\_GNOEC\_\_\_\_ as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the \_\_\_\_GNOEC\_\_\_\_ are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B. BUDGETARY ACCOUNTING**

The appropriations made for the operations of the various programs of the \_\_\_\_GNOEC\_\_\_\_ (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

**STATE OF LOUISIANA**  
**GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended October 31, 2005**

	<u>APPROPRIATIONS</u>
Original approved budget	\$ _____
Amendments:	_____
	_____
	_____
Final approved budget	\$ _____ -

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the \_\_\_\_\_ GNOEC \_\_\_\_\_ (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

**GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all deposits by the 3 categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.**

The deposits at October 31, 2005, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ 2,325,633	\$ _____	\$ _____	\$ 2,325,633.00
Bank Balances of Deposits Exposed to Custodial Credit Risk				
a. Uninsured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ _____ -
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	_____ -
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent <u>but not in the entity's name</u>	_____	_____	_____	_____ -
Total Bank Balances - All Deposits	\$ 2,288,993	\$ _____	\$ _____	\$ 2,288,993.00

STATE OF LOUISIANA  
 GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)  
 Notes to the Financial Statement  
 As of and for the year ended October 31, 2005

NOTE: The "Total Bank Balances – All Deposits" will not necessarily equal the "Deposits in Bank Account per Balance Sheet" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

	<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1.	JP Morgan	Various	\$ 2,288,993
2.			
3.			
4.			
Total			\$ <u>2,288,993</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$	
Petty cash	\$	<u>800</u>

2. INVESTMENTS

The \_\_\_\_\_ GNOEC \_\_\_\_\_ (BTA) does/does not maintain investment accounts as authorized by \_\_\_\_\_ GNOEC \_\_\_\_\_ (Note legal provisions authorizing investments by (BTA)).

**Custodial Credit Risk**

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

**GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the 3 categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.**

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)  
Notes to the Financial Statement  
As of and for the year ended October 31, 2005**

	<b>Investments Exposed to Custodial Credit Risk</b>		<b>All Investments Regardless of Custodial Credit Risk Exposure</b>	
<b>Type of Investment</b>	<b>Uninsured, *Unregistered, and Held by Counterparty</b>	<b>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent <u>Not in</u> <u>Entity's Name</u></b>	<b>Reported Amount</b>	<b>Fair Value</b>
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Government securities	_____	17,543,605	17,543,605	17,543,605
U. S. Agency Obligations	_____	19,780,017	19,780,017	19,780,017
Common & preferred stock	_____	_____	_____	_____
Commercial paper	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
Money Market	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ -	\$ 37,323,622	\$ 37,323,622	\$ 37,323,622

\* unregistered - not registered in the name of the government or entity

### 3. Derivatives

The institution does/does not (circle one) invest in **derivatives** as part of its investment policy. Accordingly, the exposure to risks from these investments is as follows:

credit risk \_\_\_\_\_

market risk \_\_\_\_\_

legal risk \_\_\_\_\_

#### 4. Credit Risk, Concentration of Credit Risk, Interest Rate Risk, and Foreign Currency Risk Disclosures

#### A. Credit Risk of Debt Investments

**Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).**

<u>Rating</u>	<u>Fair Value</u>
<u>AAA</u>	\$ 37,323,622
<b>Total</b>	<b>\$ 37,323,622</b>

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**

**Notes to the Financial Statement**

**As of and for the year ended October 31, 2005**

**B. Interest rate Risk**

**1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type.**

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Agency obligations	19,780,017	19,780,017	_____	_____	_____
U.S. Treasury obligations	17,543,605	17,543,605	_____	_____	_____
Mortgage backed securities	_____	_____	_____	_____	_____
Collateralized mortgage obligations	_____	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____	_____
Other bonds	_____	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____
Total debt investments	\$ 37,323,622	\$ 37,323,622	\$ -	\$ -	\$ -

**2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (eg. coupon multipliers, reset dates, etc.):**

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ -	

**C. Concentration of Credit Risk**

**List, by amount and issuer, investments in any one issuer that represents 5% or more of total investments. (not including U.S. government securities, mutual funds, and external investment pools)**

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ -	

**D. Foreign Currency Risk**

**Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List by currency denomination and investment type, if applicable.**

**STATE OF LOUISIANA**  
**GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended October 31, 2005**

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
	\$	\$
Total	\$ -	\$ -

**5. Policies**

**Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.**

---



---



---



---



---

**6. Other Disclosures Required for Investments**

- a. Investments in pools managed by other governments or mutual funds \_\_\_\_\_
- b. Securities underlying reverse repurchase agreements \_\_\_\_\_
- c. Unrealized investment losses \_\_\_\_\_
- d. Commitments as of \_\_\_\_\_ (fiscal close), to resell securities under yield maintenance repurchase agreements:
  1. Carrying amount and market value at June 30 of securities to be resold \_\_\_\_\_
  2. Description of the terms of the agreement \_\_\_\_\_
- e. Losses during the year due to default by counterparties to deposit or investment transactions \_\_\_\_\_
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet \_\_\_\_\_

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements \_\_\_\_\_
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year \_\_\_\_\_

Reverse Repurchase Agreements as of Year-End

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**

**Notes to the Financial Statement**

**As of and for the year ended October 31, 2005**

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest \_\_\_\_\_
- j. Commitments on \_\_\_\_\_ (fiscal close), to repurchase securities under yield maintenance agreements \_\_\_\_\_
- k. Market value on \_\_\_\_\_ (fiscal close), of the securities to be repurchased \_\_\_\_\_
- l. Description of the terms of the agreements to repurchase \_\_\_\_\_
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements \_\_\_\_\_
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement \_\_\_\_\_

**Fair Value Disclosures**

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices \_\_\_\_\_
- p. Basis for determining which investments, if any, are reported at amortized cost \_\_\_\_\_
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool \_\_\_\_\_
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares \_\_\_\_\_
- s. Any involuntary participation in an external investment pool \_\_\_\_\_
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate \_\_\_\_\_
- u. Any income from investments associated with one fund that is assigned to another fund \_\_\_\_\_

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**

**Notes to the Financial Statement**

**As of and for the year ended October 31, 2005**

**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended October 31, 2005					
	Balance 11/01/2004	Prior Period Adjustment	Adjusted Balance 7/1/2004	Additions	Transfers* Retirements	Balance 10/31/2005
<b>Capital assets not being depreciated</b>						
Land	\$	\$	\$	\$	\$	\$
Non-depreciable land improvements						
Capitalized collections						
Construction in progress						
<b>Total capital assets not being depreciated</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Other capital assets</b>						
Furniture, fixtures, and equipment	\$ 4,407,934	\$	\$ 4,407,934	\$ 710,427	\$	\$ 5,118,361
Less accumulated depreciation	(2,573,517)		(2,573,517)	(458,407)		(3,031,924)
Total furniture, fixtures, and equipment	1,834,417	--	1,834,417	252,020	--	2,086,437
Buildings and improvements	1,204,210		1,204,210			1,204,210
Less accumulated depreciation	(190,666)		(190,666)	(30,105)		(220,771)
Total buildings and improvements	1,013,544	--	1,013,544	(30,105)	--	983,439
Depreciable land improvements			--			--
Less accumulated depreciation			--			--
Total depreciable land improvements	--	--	--	--	--	--
Infrastructure	185,374,533		185,374,533	9,974,722		195,349,255
Less accumulated depreciation	(97,297,624)		(97,297,624)	(3,648,297)		(100,945,921)
Total infrastructure	88,076,909	--	88,076,909	6,326,425	--	94,403,334
<b>Total other capital assets</b>	<b>\$ 90,924,870</b>	<b>\$ --</b>	<b>\$ 90,924,870</b>	<b>\$ 6,548,340</b>	<b>\$ --</b>	<b>\$ 97,473,210</b>
<b>Capital Asset Summary:</b>						
Capital assets not being depreciated	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other capital assets, at cost	190,986,677	--	190,986,677	10,685,149	--	201,671,826
Total cost of capital assets	190,986,677	--	190,986,677	10,685,149	--	201,671,826
Less accumulated depreciation	(100,061,807)	--	(100,061,807)	(4,136,809)	--	(104,198,616)
<b>Capital assets, net</b>	<b>\$ 90,924,870</b>	<b>\$ --</b>	<b>\$ 90,924,870</b>	<b>\$ 6,548,340</b>	<b>\$ --</b>	<b>\$ 97,473,210</b>

\* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

**E. INVENTORIES**

The BTA's inventories are valued at \_\_\_\_\_ GNOEC \_\_\_\_\_ (method of valuation). These are perpetual inventories and are expensed when used. **NOTE: DO NOT INCLUDE POSTAGE. THIS IS SHOWN AS A PREPAYMENT.**

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**

**Notes to the Financial Statement**

**As of and for the year ended October 31, 2005**

**F. RESTRICTED ASSETS**

Restricted assets in the \_\_\_\_GNOEC\_\_\_\_(BTA) at \_\_\_\_October 31, 2005\_\_\_\_(fiscal year end), reflected at \$ \_\_\_\_20,018,330\_\_\_\_ in the non-current assets section on Statement A, consisting of \$ \_\_\_\_ in cash with fiscal agent, \$1,735,152 in receivables, and \$18,283,178 investment in \_\_\_\_US Government Securities\_\_\_\_ (identify the type investments held.) State the purpose of the restrictions: \_\_\_\_\_.

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The \_\_\_\_GNOEC\_\_\_\_(BTA) has the following policy on annual and sick leave: (Describe leave policy.)

An example disclosure follows:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

**2. COMPENSATORY LEAVE**

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at \_\_\_\_ (fiscal close) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$ \_\_\_\_\_. The leave payable (is) (is not) recorded in the accompanying financial statements.

**H. RETIREMENT SYSTEM**

Substantially all of the employees of the (BTA) are members of the Louisiana State Employees Retirement System (LASERS), a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. (Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)

All full-time (BTA) employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

**STATE OF LOUISIANA**  
**GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended October 31, 2005**

Members are required by state statute to contribute 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended October 31, 2005 increased to 12.75% of annual covered payroll from the 11.75% and % required in fiscal years ended October 31, 2004 and 2003 respectively. The (BTA) contributions to the System for the years ending October 31, 2005, 2004, and 2003, were \$490,085, \$388,256, and \$258,722, respectively, equal to the required contributions for each year.

**I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.\*\*
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

\*\*If the cost of any post retirement health care or life insurance benefits cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed.

Substantially all (BTA) employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the (BTA). These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the (BTA). For 2005, the cost of providing those benefits for the \_\_\_\_\_ retirees totaled \$\_\_\_\_\_.

The \_\_\_\_\_ GNOEC \_\_\_\_\_ (BTA) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all (BTA) employees become eligible for those benefits if they reach normal retirement age while working for the (BTA). Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the (BTA). [The (BTA) recognizes the cost of providing these benefits ((BTA)'s portion of premiums) as an expenditure when paid during the year, which was \$\_\_\_\_\_ for the year ended \_\_\_\_\_, 20\_\_\_\_. The cost of providing those benefits for \_\_\_\_\_ retirees is not separable from the cost of providing benefits for the \_\_\_\_\_ active employees.] or, [The (BTA)'s cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended \_\_\_\_\_, 20\_\_\_\_ the costs of \_\_\_\_\_ retiree benefits totaled \$\_\_\_\_\_.]

**J. LEASES**

**1. OPERATING LEASES**

The total payments for operating leases during fiscal year 2004-2005 amounted to \$\_\_\_\_\_. A schedule of payments for operating leases follows: (Note: If lease payments extend past FY2020, please create additional columns and report these future minimum lease payments in five year increments.)

STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)  
Notes to the Financial Statement  
As of and for the year ended October 31, 2005

Nature of lease	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011- 2015	FY2016- 2020
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

2. CAPITAL LEASES

Capital leases are (are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

**STATE OF LOUISIANA**  
**GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended October 31, 2005**

Year ending June 30 :	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

**SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

**STATE OF LOUISIANA**  
**GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended October 31, 2005**

Year ending June 30:	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

**SCHEDULE C – LEAF CAPITAL LEASES**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

Year ending June 30:	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

**STATE OF LOUISIANA**  
**GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended October 31, 2005**

**3. LESSOR DIRECT FINANCING LEASES**

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	1,015,885	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		1,015,885		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		1,015,885		
Less estimated residual value of leased property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ <u>1,015,885</u>		

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2005 were \$\_\_\_\_\_ for office space, \$\_\_\_\_\_ for equipment, and \$\_\_\_\_\_ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of October 31, 2005(the last day of your fiscal year): (Note: If lease receivables extend past FY2025, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year ending October 31, 2005:	
2006	\$ 361,877
2007	251,908
2008	170,802
2009	128,168
2010-2014	103,130
2015-2019	
2020-2024	
Total	\$ <u>1,015,885</u>

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**

**Notes to the Financial Statement**

**As of and for the year ended October 31, 2005**

**4. LESSOR – OPERATING LEASE**

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of \_\_\_\_\_ 20\_\_:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of \_\_\_\_\_ (the last day of your fiscal year): (Note: If lease receivables extend past FY2020, please create additional columns and report these future minimum lease payment receivables in five year increments.)

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2006	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ -
2007					-
2008					-
2009					-
2010					-
2011-2015					-
2016-2020					-
Total	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

Current year lease revenues received in fiscal year \_\_\_\_\_ totaled \$ \_\_\_\_\_.

Contingent rentals received from operating leases received for your fiscal year was \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for equipment, and \$ \_\_\_\_\_ for land.

**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the yr ended October 31, 2005:

	Balance November 1, 2004	<u>Year ended October 31, 2005</u>		Balance 31-Oct 2005	Amounts due within one year
		<u>Additions</u>	<u>Reductions</u>		
<b>Bonds and notes payable:</b>					
Notes payable	\$ _____	\$ _____	\$ _____	\$ _____	-- \$
Reimbursement contracts payable					--
Bonds payable	67,467,986		1,926,243	65,541,743	1,817,339
Total notes and bonds	67,467,986	--	1,926,243	65,541,743	1,817,339
<b>Other liabilities:</b>					
Contracts payable					--
Compensated absences payable	941,797	78,228		1,020,025	
Capital lease obligations					--
Liabilities payable from restricted assets					--
Claims and litigation					--
Other long-term liabilities					--
Total other liabilities	941,797	78,228	--	1,020,025	--
Total long-term liabilities	\$ 68,409,783	\$ 78,228	\$ 1,926,243	\$ 66,561,768	\$ 1,817,339

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**

**Notes to the Financial Statement**

**As of and for the year ended October 31, 2005**

A detailed summary, by issues, of all debt outstanding at October 31, 2005, including outstanding interest of \$ 45,586,118 is shown on Schedule 4. Schedule 5 is an amortization schedule of the outstanding debt. (Send OSRAP a copy of the amortization schedule for any new debt issued.)

**L. LITIGATION**

1. The \_\_\_GNOEC\_\_\_(BTA) is a defendant in litigation seeking damages as follows:

<u>Date of Action</u>	<u>Description of Litigation and Probable outcome (Remote, reasonably possible, or probable)</u>	<u>Primary Attorney</u>	<u>Damages Claimed</u>	<u>Insurance Coverage</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals			\$ _____ -	\$ _____ -

The \_\_\_GNOEC\_\_\_(BTA)'s legal advisor estimates that potential claims not covered by insurance would affect the financial statement as follows (would not materially affect the financial statements or is unable to estimate the effect on the financial statement): \_\_\_\_\_

2. Claims and litigation costs of \$ \_\_\_\_\_ were incurred in the current year and are reflected in the accompanying financial statement.

**M. RELATED PARTY TRANSACTIONS**

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions. \_\_\_\_\_

**N. ACCOUNTING CHANGES**

Accounting changes made during the year involved a change in accounting \_\_\_\_\_ (principle, estimate, error or entity). The effect of the change is being shown in \_\_\_\_\_.

**O. IN-KIND CONTRIBUTIONS**

(List all in-kind contributions that are not included in the accompanying financial statements.)

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ _____ -

STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)  
Notes to the Financial Statement  
As of and for the year ended October 31, 2005

P. DEFEASED ISSUES

GNOEC (BTA) defeased 1992 revenue bonds in a prior fiscal year by placing a portion of the proceeds of the 2003 series bonds in irrevocable trusts to provide for future debt service payments on the old bonds. A portion of the proceeds of the new debt were used to purchase US Government securities, accordingly, the trust account assets and liabilities for the defeased bond is not included in GNOEC's (BTA) financial statements. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. At October 31, 2005 \$46.245 million of the 1992 bonds are considered defeased

Q. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Some cooperative endeavor contracts are not coded with a document type of "COP" on the Contract Financial Management Subsystem (CFMS), but are considered cooperative endeavors. Include these below with your cooperative endeavor contracts coded with a document type of "COP". Examples of contracts that are considered cooperative endeavors, but are not coded with a document type of "COP" include contracts that fall under delegated authority, Facility Planning and Control "CEA" contracts, certain federal government contracts, contracts that legislative auditors may have designated as such within your agency, work incumbent programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

The liability outstanding for fiscal year ending October 31, 2005, by funding source, is as follows:

<u>Funding Source</u>	<u>Balance</u> <u>October 31, 2005</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at October 31, 2005. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute your ending balances by funding source, you should begin with your balances at October 31, 2004. These amounts will be increased by amounts for new contracts and amendments and decreased for payments as well as for liquidations.

**STATE OF LOUISIANA**  
**GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended October 31, 2005**  
**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)**

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2004-2005:

<u>CFDA Number</u>	<u>Program Name</u>	<u>State Match Percentage</u>	<u>Total Amount of Grant</u>
			\$
Total government-mandated nonexchange transactions (grants)			\$ -

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS**

At October 31, 2005 the \_\_\_\_\_ GNOEC \_\_\_\_\_ (BTA) was not in compliance with the provisions of \_\_\_\_\_ Bond Reserve Covenant that requires \_\_\_\_\_ . The \_\_\_\_\_ (BTA) did \_\_\_\_\_ to correct this deficiency.

**T. SHORT-TERM DEBT**

The \_\_\_\_\_ GNOEC \_\_\_\_\_ (BTA) issues short-term notes for the following purpose(s) \_\_\_\_\_ .

Short-term debt activity for the year ended October 31, 2005 was as follows:

<u>List the type of S-T debt (e.g., tax anticipation notes)</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
	\$	\$	\$	\$ -

The \_\_\_\_\_ (BTA) uses a revolving line of credit for the following to finance \_\_\_\_\_ (list purpose for the S-T debt).  
 Short-term debt activity for the year ended June 30, 20\_\_\_\_, was as follows:

	<u>Beginning Balance</u>	<u>Draws</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Line of credit	\$	\$	\$	\$ -

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)  
Notes to the Financial Statement**

**As of and for the year ended October 31, 2005**

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at October 31, 2005, were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	\$	\$ 1,309,190.00	\$	\$ 454,291.00	\$ 1,763,481.00
Gross receivables	\$ -	\$ 1,309,190.00	\$ -	\$ 454,291.00	\$ 1,763,481.00
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ 1,309,190.00	\$ -	\$ 454,291.00	\$ 1,763,481.00
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at October 31, 2005, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	\$ 2,847,148	\$ 70,251	\$	\$ 350,000	\$ 3,267,399
Total payables	\$ 2,847,148	\$ 70,251	\$ -	\$ 350,000	\$ 3,267,399

**W. SUBSEQUENT EVENTS**

Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement.

**X. SEGMENT INFORMATION**

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**

**Notes to the Financial Statement**

**As of and for the year ended October 31, 2005**

**A. Condensed balance sheet:**

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

**B. Condensed statement of revenues, expenses, and changes in net assets:**

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	_____	_____
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	_____	_____
Beginning net assets	_____	_____
Ending net assets	_____	_____

**STATE OF LOUISIANA**  
**GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended October 31, 2005**

- C. Condensed statement of cash flows:
- (1) Net cash provided (used) by:
    - (a) Operating activities
    - (b) Noncapital financing activities
    - (c) Capital and related financing activities
    - (d) Investing activities
  - (2) Beginning cash and cash equivalent balances
  - (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	_____ -	_____ -

**Y. DUE TO/DUE FROM AND TRANSFERS**

1. List by fund type the amounts **due from other funds** detailed by individual fund at your fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ _____

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ _____

3. List by fund type **all transfers from other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ _____

4. List by fund type **all transfers to other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ _____

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**

**Notes to the Financial Statement**

**As of and for the year ended October 31, 2005**

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

Liabilities payable from restricted assets in the GNOEC (BTA) at October 31, 2005 (fiscal year end), reflected at \$3,997,499 in the current liabilities section on Statement A, consist of \$699,809 in capital projects payable, \$1,817,339 in notes payable, and \$1,480,351 in accrued interest.

Liabilities payable from restricted assets in the \_\_\_\_\_ (BTA) at \_\_\_\_\_ (fiscal year end), reflected at \$ \_\_\_\_\_ in the non-current liabilities section on Statement A, consist of \$ \_\_\_\_\_ in accounts payable, \$ \_\_\_\_\_ in notes payable, and \$ \_\_\_\_\_ in \_\_\_\_\_.

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS**

The following adjustments were made to restate beginning net assets for October 31, 2005.

Ending net assets November 1, 2004, <u>previously reported</u>	Adjustments <u>+ or (-)</u>	Beginning net assets, November 1, 2004, <u>As restated</u>
\$ _____	\$ _____	\$ _____ --
_____	_____	_____ --
_____	_____	_____ --
_____	_____	_____ --
_____	_____	_____ --
_____	_____	_____ --

Each adjustment must be explained in detail on a separate sheet.

(NOTE: Net Assets at November 1, 2004, previously reported, must correspond to Net Assets at October 31, 2004, per the information received from OSRAP.)

**(Fiscal Close)**

\$ 34,180

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)  
SCHEDULE OF STATE FUNDING  
For the Year Ended October 31, 2005  
(Fiscal Close)**

<u>Description of Funding</u>	<u>Amount</u>
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ _____

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)  
SCHEDULE OF BONDS PAYABLE  
October 31, 2005  
(Fiscal Close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 10/31/04	Redeemed (Issued)	Principal Outstanding 10/31/05	Interest Rates	Interest Outstanding 10/31/05
Series 1999A	07/27/99	15,000,000	12,445,000	_____	11,745,000	4.28-5.25	4,280,716
Series 2003	04/15/03	54,605,000	54,055,000	_____	53,005,000	2.0-5.0	45,586,118
Premium	04/15/03	_____	967,986	_____	791,743	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		<u>69,605,000</u>	<u>\$67,467,986</u>	<u>\$ _____</u>	<u>\$ 65,541,743</u>		<u>\$ 49,866,834</u>

**\*Send copies of new amortization schedules**

STATE OF LOUISIANA  
 \_\_\_\_\_ (BTA)  
**SCHEDULE OF NOTES PAYABLE**  
 \_\_\_\_\_, 20\_\_\_\_  
 (Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

\*Send copies of new amortization schedules

STATE OF LOUISIANA  
 \_\_\_\_\_ (BTA)  
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE  
 \_\_\_\_\_, 20\_\_\_\_  
 (Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

\*Send copies of new amortization schedules

**STATE OF LOUISIANA**  
**(BTA)**  
**SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION**  
**For The Year Ended** \_\_\_\_\_  
**(Fiscal Close)**

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ _____	\$ _____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
Total	\$ _____ --	\$ _____ --

**STATE OF LOUISIANA**  
**(BTA)**  
**SCHEDULE OF CAPITAL LEASE AMORTIZATION**  
**For The Year Ended October 31, 2005**

<b>Fiscal Year Ending:</b>	<b><u>Payment</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Balance</u></b>
2006	\$ _____	\$ _____	\$ _____	\$ _____ --
2007	_____	_____	_____	_____ --
2008	_____	_____	_____	_____ --
2009	_____	_____	_____	_____ --
2020	_____	_____	_____	_____ --
2011-2015	_____	_____	_____	_____ --
2016-2020	_____	_____	_____	_____ --
2021-2025	_____	_____	_____	_____ --
2026-2030	_____	_____	_____	_____ --
<b>Total</b>	<b>\$ _____ --</b>	<b>\$ _____ --</b>	<b>\$ _____ --</b>	<b>\$ _____ --</b>

**STATE OF LOUISIANA**  
**(BTA)**  
**SCHEDULE OF NOTES PAYABLE AMORTIZATION**

<b>Fiscal Year Ending:</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2006	\$ _____	\$ _____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011-2015	_____	_____
2016-2020	_____	_____
2021-2025	_____	_____
2026-2030	_____	_____
Total	\$ _____ --	\$ _____ --

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)  
SCHEDULE OF BONDS PAYABLE AMORTIZATION  
For The Year Ended October 31, 2005**

<b>Fiscal Year</b>			
<b>Ending:</b>	<b>Principal</b>		<b>Interest</b>
2006	\$ 1,760,000.00	\$	2,960,702.00
2007	1,835,000.00		2,906,002.00
2008	1,905,000.00		2,848,377.00
2009	1,955,000.00		2,784,889.00
2010	2,030,000.00		2,719,226.00
2011-2015	11,395,000.00		12,303,610.00
2016-2020	10,105,000.00		9,589,515.00
2021-2025	9,640,000.00		7,391,913.00
2026-2030	12,165,000.00		4,831,350.00
2031-2033	11,960,000.00		1,531,250.00
Total	\$ 64,750,000.00	\$	49,866,834.00

## STATE OF LOUISIANA

## GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)

## COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2005</u>	<u>2004</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>20,401,055</u>	\$ <u>21,639,911</u>	\$ <u>(1,238,856)</u>	\$ <u>(5.8%)</u>
Expenses	<u>18,372,224</u>	<u>18,295,525</u>	<u>(76,699)</u>	<u>(0.4%)</u>
2) Capital assets	<u>97,473,210</u>	<u>90,924,870</u>	<u>6,458,340</u>	<u>7.2%</u>
Long-term debt	<u>66,292,904</u>	<u>68,409,783</u>	<u>2,116,879</u>	<u>3.1%</u>
Net Assets	<u>67,221,537</u>	<u>65,031,237</u>	<u>2,190,300</u>	<u>3.4%</u>

Explanation for change: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)  
Appendix A  
For the Year Ended October 31, 2005

**INSTRUCTIONS FOR THE SIMPLIFIED STATEMENT OF ACTIVITIES**

**Expenses** – include all expenses, both operating and non-operating.

**Program Revenues** – include revenues derived from the program itself. These revenues reduce the net cost of the BTA's activities that must be financed from its general revenues. Program revenues should be reported in the following three categories:

**Charges for services** - include revenues based on exchange or exchange-like transactions. (An exchange transaction is one in which each party receives and gives up essentially equal values.) These revenues arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Revenues in this category include fees charged for specific services.

**Operating grants and contributions** - revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program **and** that may be used **either for operating or capital expenses** at the discretion of the BTA. (A non-exchange transaction is one in which an entity gives or receives value without directly receiving or giving equal value in return.)

**Capital grants and contributions** – revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program **and** that are **restricted for capital purposes only** - to purchase, construct, or renovate capital assets associated with a specific program.

**Net (Expense) Revenue** - Program revenues minus expenses.

**General Revenues** – all revenues are general revenues unless they are specifically required to be reported as program revenues.

**Taxes** – include all taxes received here, as all are considered general revenues, even those levied for a specific purpose.

**State appropriations** - include warrants drawn during the fiscal year and the 13<sup>th</sup> period, plus 14<sup>th</sup> period if applicable.

**Grants and contributions not restricted to specific programs** – revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations or individuals that are not restricted to a specific program.

**Interest** – any interest earned that is not required to be reported as program revenue (earnings on investments legally restricted to use by a specific program should be reported as program revenue).

**Miscellaneous** - any general revenues that do not specifically fall under one of the categories listed.

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)**

**Appendix A**

**For the Year Ended October 31, 2005**

**Special items** – are significant items subject to management's control that meet one of the following criteria:

- 1) unusual in nature – possessing a high degree of abnormality and clearly unrelated or only incidentally related to the ordinary and typical activities of the entity.
- 2) infrequent in occurrence- not reasonably expected to recur in the foreseeable future, taking into account the environment in which the entity operates.

**Transfers** – All Interfund activities involving the flow of resources between funds.

**Change in net assets** – net (expense) revenue plus general revenues and special items.

**Net assets – beginning** – beginning net assets.

**Net assets – ending** – beginning net assets plus change in net assets.

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)  
Appendix B  
For the Year Ended October 31, 2005**

**INFORMATION FOR NOTE C "DEPOSITS WITH FINANCIAL INSTITUTIONS AND  
INVESTMENTS"  
(GASB Statement 3 Amended by GASB Statement 40)**

**I. Purpose:**

Note C provides the required disclosures about the governmental entities' deposits with financial institutions and investments. The disclosures required for deposits and investments as of the fiscal year ended date provides information about the credit risk and market risk of the deposits and investments and are designed to provide users of the financial statements information about the potential for losses associated with the deposits and investments. GASB Statement 40 has modified or eliminated portions of GASB Statement 3 including:

- modified the custodial credit risk disclosures of Statement 3 for deposits and investments to limit the required disclosure to only those exposed to custodial credit risk (similar to GASB 3's category 3).
- established or modified disclosure requirements related to concentrations of credit risk of investments, credit risk of debt investments, and interest rate risks of debt investments (including sensitivity to changes in interest rates), and
- established disclosure requirements for foreign currency risks for both deposits and investments.

Although GASB Statement 40 eliminated some of the disclosures required for custodial credit risk (the 3 categories for example), the total reported amounts of all deposits and investments must still be reported.

**II. Comparison of amounts disclosed per requirements in Note C to amounts shown on the Balance Sheet (if Balance Sheet is required as part of AFR packet):**

- Generally, the amounts of cash and investments on the balance sheet will not be classified exactly the way they would be classified in Note C.
- "Deposits with Financial Institutions" and "Investments" in Note C may be reported on the balance sheet using titles or line items that are different than those in Note C, or they may be combinations of titles or line items. For instance, "Deposits" in Note C may come from several line items on the balance sheet such as "Cash in Bank" and "CD's", or even "Investments" (See section III below that gives further guidance on what should be considered "Deposits" in note C).
- Line items on the balance sheet may include amounts that would be deposits in Note C, and may also include amounts that would be investments in Note C. Also, cash and cash equivalents line items on the balance sheet may include amounts that are not deposited in bank accounts of the entity and therefore would not be reported in Note C as deposits but as separate line items such as petty cash, cash on hand, and treasury cash. These amounts must be reported separately from the deposits in Note C.
- Each line item on the balance sheet that involves cash or investments, including any restricted cash and/or investments, needs to be analyzed to determine what is included in the item and how it should be disclosed in Note C.

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**

**Appendix B**

**For the Year Ended October 31, 2005**

**III. "Deposits with Financial Institutions" section of Note C:**

- Generally, this section of the Note C disclosure refers to the various examples of "Deposits with Financial Institutions" (See "A" below for examples). The term "cash and cash equivalents" is used in reference to GASB Statement 9 that affects presentation for the balance sheet and statement of cash flows, not the note disclosures required by GASB Statement 3 & 40. "Deposits with Financial Institutions" include deposit accounts in banks, savings and loan associations, and credit unions. They can be demand, savings, or time accounts, including negotiable order of withdrawal (NOW) accounts and non-negotiable CD's. As stated previously, deposits for Note C may be a combination of balance sheet line items or titles.
- Do not include treasury cash, petty cash not in a bank account, or cash on hand in Note C as part of the deposits in bank accounts. As mentioned previously, these amounts would be reported separately.

**A. Examples and/or definitions:**

Nonnegotiable Certificates of Deposit – Nonnegotiable CDs are time deposits that are placed by depositors directly with financial institutions and generally are subject to a penalty if redeemed before maturity. These are treated as deposits for GASB 3 Note C disclosures. (Negotiable CDs are securities that are normally sold in \$1 million units that are traded in a secondary market. These are treated as investments for Note C disclosures.)

Money Market Accounts – financial institution "money market" accounts are simply deposits that pay interest at a rate set to make the accounts competitive with money market mutual funds. They should be treated like any other deposit account for Note C disclosures.

Bank Investment Contracts (BICs) – A BIC is a general obligation instrument issued by a bank, typically to a pension plan, that provides for a guaranteed return on principal over a specified period . Since these are issued by a bank, they are treated as deposits for Note C disclosures.

**B. Other definitions as applied to deposits:**

Insured (Insurance) – deposits are insured by federal deposit insurance (FDIC), state deposit insurance, multiple financial institution collateral pools that insure public deposits, and even commercial insurance (if scope of coverage would be substantially the same as FDIC).

Collateral – Security pledged by a financial institution to a government entity for its deposits.

**IV. "Investments" section of Note C:**

- Types of investments for listing investments by type definitions/examples:
  1. Repurchase Agreements – An agreement in which a governmental entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower): the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for a) the same securities, or for b) different securities.

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**

**Appendix B**

**For the Year Ended October 31, 2005**

2. U.S. Government Obligations – examples include treasury bills, treasury notes and treasury strips; obligations of certain U.S. Government Agencies such as FNMA, FHLB, or SLMA.

3. Common & Preferred Stock – a security that represents an ownership interest in an entity.

4. Commercial Paper (mortgages, notes, etc.) – An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. Almost all commercial paper is rated as to credit risk by rating services.

5. Corporate Bonds

6. Other (identify) – It is not appropriate to present material amounts of investments as “Other”, unless the note disclosure describes the composition of the “Other” category. The following are examples of other investments:

a. Closed-end Mutual Fund – The investment company sells shares of its stock to investors and it invests on the shareholders’ behalf in a diversified portfolio of securities. A closed-end mutual fund has a constant number of shares, the value depends on the market supply and demand for the shares rather than directly on the value of the portfolio, the fund does issue certificates, and the securities are traded on a stock exchange.

b. Open-end Mutual Funds – The investment company sells shares of its stock to investors and it invests on the shareholders’ behalf in a diversified portfolio of securities. In contrast to a closed-end mutual fund, the open-end mutual fund creates new shares to meet investor demand, the value depends directly on the value of the portfolio, and the fund does not issue certificates but sends out periodic statements showing account activity. These investments are not evidenced by securities that exist in physical or book entry form.

c. Reverse Repurchase Agreements - An agreement in which a broker-dealer or financial institution (buyer-lender) transfers cash to a governmental entity (seller-borrower); the entity transfers securities to the broker-dealer or financial institution and promises to repay the cash plus interest in exchange for a) the same securities, or for b) different securities.

d. Investments in pools managed by another government - Generally, these investments would not be exposed to custodial credit risk because the investments themselves are not evidenced by securities that exist in physical or book entry form.

e. Private placements, such as venture capital and limited partnerships

f. Investments in real estate, annuity contracts, and direct investments in mortgages

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**

**Appendix B**

**For the Year Ended October 31, 2005**

**V. Risk Disclosures for Deposits and Investments:**

- Deposits and investments are subject to several types of risks, mainly credit risk, market risk, interest rate risk, and foreign currency risk.

Credit risk - defined as the risk that a counterparty to an investment transaction will not fulfill its obligations and can be associated with the issuer of securities, with a financial institution holding deposits, or with a party holding investment or collateral securities.

Concentration of credit risk – defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer.

Market risk – defined as the risk that the market value of investment securities, collateral securities protecting a deposit, or securities of a repurchase agreement will decline.

Interest rate risk – defined as the risk that changes in interest rates will adversely affect the fair value of an investment.

Foreign currency risk – defined as the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

**A. Custodial Credit Risk Disclosures for Deposits:**

Following GASB Statement 3, deposits were classified into three categories of custodial credit risk depending on whether they were insured or collateralized, and who holds the collateral and how the collateral is held.

Collateral – Securities pledged by the financial institution for the purpose of securing the governmental entity's deposits.

Collateralized – When the entity's deposits are secured with securities pledged by the financial institution holding the deposits.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all deposits by the 3 categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

**B. Custodial Credit Risk Disclosures for Investments:**

Following GASB Statement 3, investments (listed by type) were either classified into three categories (depending on whether they are insured or registered and who holds the securities and how they are held), or listed as non-classified investments.

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)  
Appendix B  
For the Year Ended October 31, 2005**

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the 3 categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. However, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name.

**C. Additional Risk Disclosures for Required by GASB Statement 40:**

Credit Risk - Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

Interest Rate Risk - Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years of those investments. In addition, list the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (e.g. coupon multipliers, reset dates, etc.)

Concentration of Credit Risk - List, by amount and issuer (not including U.S. government securities, mutual funds, and investment pools), investments in any one issuer that represents 5% or more of total investments.

Foreign Currency Risk - Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List these by currency denomination and investment type, if applicable.

Deposits and Investments Policies Relating to Risk - Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, that fact should be stated.

**VI. Securities as Applied to Credit Risk of Deposits and Investments:**

Securities defined – a transferable financial instrument that evidences ownership or creditorship. Securities can be in either paper or book-entry form.

1. Examples of securities that are often held by or pledged to (as collateral) governmental entities include:

- a. treasury bills, treasury notes, treasury bonds
- b. federal agency obligations
- c. corporate debt instruments (including commercial paper)
- d. corporate equity instruments
- e. negotiable CD's (keyword here is negotiable)

**STATE OF LOUISIANA**  
**GREATER NEW ORLEANS EXPRESSWAY COMMISSION(BTA)**  
**Appendix B**  
**For the Year Ended October 31, 2005**

- f. bankers' acceptances
- g. shares of closed-end mutual funds (keyword here is closed-end)
- h. shares of unit investment trusts

2. Instruments or investments that are not securities include:

- a. investments made directly with another party (such as limited partnerships)
- b. real estate
- c. direct investments in mortgages and other loans
- d. investments in open-ended mutual funds (keyword here is open-ended)
- e. pools managed by other governments
- f. annuity contracts